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BEFORE THE ARIZONA CORPORATION COMMISSION

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Arizona Corporation Commission

COMMISSIONERS

AZ CORP COMMISSION
DOCKET CONTROL

DOCKETED

OCT 17 2012

GARY PIERCE, Chairman
BOB STUMP
SANDRA D. KENNEDY
PAUL NEWMAN
BRENDA BURNS

DOCKETED BY

LM

In the matter of:

ARIZONA GOLD PROCESSING, LLC, an
Arizona limited liability company,

AZGO, LLC, an Arizona limited liability
company,

and

CHARLES L. ROBERTSON, a married man

Respondents.

DOCKET NO. S-20846A-12-0135

**SECURITIES DIVISION'S
RESPONSE TO RESPONDENTS'
MOTION IN LIMINE**

(Assigned to the Hon. Marc E. Stern)

The Securities Division ("Division") of the Arizona Corporation Commission hereby requests that Respondents' Motion in Limine be denied. Respondents offered and sold interests to individuals located nationwide in Arizona Gold Processing LLC **within or from** the State of Arizona.

MEMORANDUM OF POINTS AND AUTHORITIES

According to the Motion in Limine filed by Arizona Gold Processing LLC, AZGO LLC and Charles Robertson (hereinafter "ARIZONA GOLD"), they admit to offering and selling securities. Further, ARIZONA GOLD admits that they are issuers of those securities. The only issue remaining is the extent of ARIZONA GOLD's violations of the Arizona Securities Act.

I. PROCEDURAL HISTORY

On April 6, 2012, a Temporary Order to Cease and Desist and Notice of Opportunity for Hearing ("TC&D") was filed against ARIZONA GOLD alleging violations of the Arizona

1 Securities Act.¹ ARIZONA GOLD requested a hearing on April 30, 2012. ARIZONA GOLD filed
2 an Answer on May 9, 2012. The hearing is scheduled to begin February 25, 2013.

3 II. FACTS

4 ARIZONA GOLD's contacts with Arizona were more than ministerial. ARIZONA GOLD
5 had a base of operations in Arizona. On November 28, 2011, ARIZONA GOLD signed an
6 agreement to lease office space located at 2527 E. Camelback Road, Suite 450, Phoenix, Arizona
7 85016.²

8 Contrary to representations by ARIZONA GOLD in their Motion in Limine, this was not
9 just a post office box.³ ARIZONA GOLD received the use of office space with a live person to
10 answer their telephone calls using "Arizona Gold Processing" in the greeting, among other
11 services.⁴ Further, ARIZONA GOLD obtained a telephone number with an area code for Arizona
12 ("602").⁵ Although ARIZONA GOLD represented in its Motion in Limine that "the Managers did
13 not hold even a single meeting in Arizona,"⁶ they held the most important meeting at its Phoenix
14 office: its organizational meeting.⁷

15 On November 30, 2011, AZGO held its organizational meeting.⁸ At this organizational
16 meeting, it was resolved that AZGO form a "new wholly-owned subsidiary company called
17 'Arizona Gold Processing LLC' . . . under the laws of the State of Arizona."⁹ In addition to the
18 creation of ARIZONA GOLD, members of AZGO resolved that ARIZONA GOLD was
19 "authorized to structure and issue securities or other interests to investors and register or exempt
20 the offering of such securities with the United States Securities and Exchange Commission and the
21 several states pursuant to applicable federal and state securities laws and rules to raise sufficient
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23 ¹ See TC&D.

² See attached Exhibit A.

³ Motion in Limine, page 4 lines 10 – 11 and page 7 paragraph 6.

⁴ Motion in Limine, page 7 lines 12 – 15; and attached Exhibit A.

⁵ Motion in Limine, page 7 lines 12 – 15; and attached Exhibit A.

⁶ Motion in Limine, page 7 line 8.

⁷ Motion in Limine, page 7 line 8.

⁸ See attached Exhibit B.

⁹ See attached Exhibit B, at ACC000500.

1 working capital for [ARIZONA GOLD].”¹⁰ All of those decisions took place at the offices in
2 Phoenix, Arizona.¹¹

3 In compliance with the November 30, 2011, organizational meeting, ARIZONA GOLD
4 and AZGO filed Articles of Organization with the Arizona Corporation Commission on December
5 1, 2011, to create manager-managed Arizona limited liability companies.¹²

6 ARIZONA GOLD leased warehouse space in Arizona to locate a processing plant. The
7 offering materials provided to offerees and investors by ARIZONA GOLD, stated “[w]e currently
8 plan to lease industrial space for the processing plant at 1702 East University Drive in Phoenix,
9 Arizona.”¹³ Ultimately, on May 21, 2012, ARIZONA GOLD, through its operations manager,
10 Robert T. Hepler (“Hepler”), leased an industrial building on S. 69th Ave. in Phoenix, Arizona.¹⁴

11 In addition, since at least May of 2012, Hepler resided in Arizona.¹⁵ In fact, as part of the
12 ARIZONA GOLD Manager Agreement signed by Hepler, dated December 5, 2011, Hepler was
13 required to relocate to Arizona.¹⁶ In February 2012, Hepler opened a business account at an
14 Arizona bank (determined by routing number) under the name of Arizona Gold Processing LLC, at
15 a branch office located on Dysart and Camelback in the Phoenix, Arizona metro-area.¹⁷

16 Throughout the offering materials provided to investors, ARIZONA GOLD emphasized
17 that they were Arizona limited liability companies.¹⁸ Business correspondence provided to
18 investors as part of the offering materials were addressed to the Arizona office address.¹⁹ The
19 private placement memorandum (“PPM”) disclosed to offerees and investors that ARIZONA
20 GOLD’s principal place of business was the Camelback address.²⁰ If investors wanted more
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22 ¹⁰ See attached Exhibit B, at ACC000501.

¹¹ See attached Exhibit B, at ACC000498.

23 ¹² See attached Exhibit C.

¹³ See attached Exhibit D, at ACC000024; and attached Exhibit H, at ACC000082.

24 ¹⁴ See attached Exhibit E, at ACC000536.

¹⁵ See attached Exhibit E, at ACC000536.

25 ¹⁶ See attached Exhibit F, at ACC000550.

¹⁷ See attached Exhibit G.

26 ¹⁸ See attached Exhibit H. (S-26 - S-29)

¹⁹ See attached Exhibit I. (S-21 and S-25)

²⁰ See attached Exhibit H, at ACC000042.

1 information they were told to contact Arizona Gold Processing LLC at its Arizona address or call
2 its Arizona telephone number.²¹ The PPM also stated that “[a]ll documents relating to the
3 Company will be made available to you or your representatives at our office in Phoenix,
4 Arizona.”²² The Utah address was listed in the subscription agreement to send investor funds;
5 however, investors were given the choice to send payments to the Phoenix office.²³ The Operating
6 Agreement for Arizona Gold Processing, LLC that was attached as an exhibit to the PPM, had two
7 choice of law provisions: Arizona and Utah.²⁴ Further, the Operating Agreement stated that the
8 registered and designated office was the Arizona office and, if necessary, service of process was in
9 Arizona.²⁵ Moreover, the PPM stated that the company’s offices were “co-located with those of
10 our managing member at 2527 E. Camelback Road, Suite 450, Phoenix, Arizona 85016.”²⁶

11 ARIZONA GOLD is not registered as a securities dealer or salesman with the
12 Commission.²⁷ The securities are not registered²⁸ with the Commission or the Securities and
13 Exchange Commission (“SEC”).²⁹

14 According to ARIZONA GOLD, during the relevant time,³⁰ ARIZONA GOLD raised
15 approximately \$1,142,275.50.³¹ The funds raised from investors paid for electrostatic machines
16 that were delivered to the Arizona plant to process ore from an Arizona placer deposit.³²

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19
20 ²¹ See attached Exhibit H, at ACC000042 and ACC000083.

²² See attached Exhibit H, at ACC000058.

²³ See attached Exhibit H, at ACC000111.

²⁴ See attached Exhibit H, at ACC000106.

²⁵ See attached Exhibit H, at ACC000088.

²⁶ See attached Exhibit H, at ACC000082.

²⁷ See attached Exhibit J. (S-1 - S-3)

²⁸ ARIZONA GOLD has not filed for any exemption from registration even though the PPM indicates that ARIZONA GOLD is in compliance with Section 4(2) and/or Rule 506 of Regulation D promulgated under the Securities Act of 1933, as amended, and applicable state laws that provide an exemption from registration for limited private offerings.

²⁹ ARIZONA GOLD has not filed for any exemption from registration even though the PPM indicates that ARIZONA GOLD is in compliance with Section 4(2) and/or Rule 506 of Regulation D promulgated under the Securities Act of 1933, as amended, and applicable state laws that provide an exemption from registration for limited private offerings.

³⁰ Relevant time defined as December 15, 2011 through July 23, 2012.

³¹ Motion in Limine, Exhibit 14, paragraph 5.

³² Motion in Limine, Exhibit 14, page 2 paragraph 8.

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III. LEGAL ANALYSIS

A. RELEVANT EVIDENCE SHOULD NOT BE EXCLUDED.

In its Motion in Limine, ARIZONA GOLD requests that “any and all evidence of offers or sales of securities or other securities-related transactions by Respondents where such offers or sales or other transactions were not made to or with person or entities resident or domiciled in the State of Arizona” be excluded.³³ ARIZONA GOLD fails to provide any legal basis for its position. ARIZONA GOLD’s position is that only evidence of the sales to Arizona residents should be admitted. ARIZONA GOLD fails to recognize the authority of the Commission to regulate offers and sales that take place “from” Arizona. Whether the offers or sales of securities by ARIZONA GOLD took place “from” Arizona is a question of fact.

The Arizona Securities Act confers broad powers to the Commission determine whether any person has violated or is about to violate any provision of the Arizona Securities Act.³⁴ The Commission delegated that authority to the Securities Division. The Securities Division may “investigate and examine” the affairs of any person offering or selling securities when it believes that a violation may have occurred or may be occurring.³⁵ The Securities Division issued a subpoena duces tecum to ARIZONA GOLD seeking production of documents related to the offers and sales it between June 26, 2012, and July 23, 2012, in order to determine whether or not ARIZONA GOLD continued to offer and sell securities within or from Arizona after the filing to the TC&D.³⁶ ARIZONA GOLD failed to provide the requested information.

The Commission has a right to request documents it believes are relevant to the inquiry to confirm whether ARIZONA GOLD continues to violate the Arizona Securities Act.³⁷ In another

³³ Motion in Limine page 2, lines 1 – 4.

³⁴ See A.R.S. § 44-1822.

³⁵ *Id.*

³⁶ See attached Exhibit K, Affidavit of William Santee.

³⁷ See *SEC v. Brigadoon Scotch Distrib. Co.*, 480 F.2d at 1052 (2nd Cir. 1973) and *United States v. Morton Salt Co.*, 338 U.S. 632, 70 S.Ct. 357, 94 L.Ed. 401 (1950).

1 matter, the Court in *Carrington*, stated “an appropriately empowered agency can investigate merely
2 on suspicion that the law is being violated, or even just because it wants assurance that it is not.”³⁸

3 The *Carrington* Court recognized the authority of the Commission to be free from “undue
4 interference or delay to conduct an investigation which will adequately develop a factual basis for
5 a determination as to whether particular activities come within the Commission’s regulatory
6 authority.”³⁹

7 The evidence that ARIZONA GOLD seeks to exclude is relevant to the overall scheme.
8 The Commission has a right to determine, after all relevant evidence is presented, whether the
9 offers and sales by ARIZONA GOLD were “within and from” the State of Arizona. The evidence
10 of the offers and sales “from” Arizona are not prejudicial and would be admissible.

11 The primary purpose of a Motion in Limine “is to avoid disclosing to the jury prejudicial
12 matters which may compel a mistrial. It should not, except upon a clear showing of non-
13 admissibility, be used to reject evidence.”⁴⁰ A Motion in Limine is not to be used when the
14 evidence does not support your position. This is an administrative proceeding. There is no jury.
15 ARIZONA GOLD provided no basis to grant its Motion in Limine.

16 **B. ARIZONA GOLD OFFERED AND SOLD SECURITIES WITHIN OR FROM THE**
17 **STATE OF ARIZONA.**

18 ARIZONA GOLD contends that, during relevant times, it did not offer or sell securities
19 from Arizona. The Arizona Securities Act regulates the offer and sale of securities within or from
20 the State of Arizona.⁴¹ The phrase “within or from” has been interpreted to mean the sale of
21 securities either inside Arizona or outside of Arizona from a base of operations in Arizona.⁴² The
22 Court in *Arizona Corp. Comm’n v. Media Products, Inc.* found that the securities at issue were
23 marketed from Arizona because the issuer had “considerably more connections within Arizona”

24 ³⁸ See *Carrington v. Arizona Corp. Comm’n*, 199 Ariz. at 305, 18 P.3d 97 (App. 2000), quoting *United States v.*
25 *Morton Salt Co.*, 338 U.S. 632, 70 S.Ct. 357, 94 L.Ed. 401 (1950).

³⁹ *Id.* quoting *Brigadoon Scotch Distrib. Co.*, 480 F.2d at 1052 (2nd Cir.1973).

⁴⁰ See *State ex rel. Berger v Superior Court*, 108 Ariz. at 397, 499 P.2d at 153 (1972).

26 ⁴¹ See A.R.S. § 44-1841.

⁴² See *Arizona Corp. Comm’n v. Media Prod. Inc.*, 158 Ariz. 463, 763 P.2d 527 (App. 1988).

1 than merely the maintenance of a principal place of business within Arizona,⁴³ noting that the
2 issuer's principal place of business was Arizona, the officers and directors operated from Arizona,
3 the Board of Directors meetings took place in Arizona, an Arizona bank was designated escrow
4 agent, and stock certificates were prepared and issued by a transfer agent in Arizona.

5 Media Products, Inc. was a Delaware corporation authorized to transact business in
6 Arizona with its principal offices in Arizona. The stock offering was made only to out-of-state
7 investors by a registered securities dealer based out-of-state. Media Products, Inc. stock offering
8 was registered with the SEC and was duly registered in the various States where it planned to sell
9 the stock. Sales of the stock were negotiated out-of-state solely by the registered securities dealer
10 to out-of-state investors where the offering was registered. Although located in Arizona, Media
11 Products, Inc. made no offers or sales to Arizona residents. Also, there were no allegations that the
12 offering was fraudulent.

13 The Court in *Media Products, Inc.* reviewed two issues on appeal: 1) did the state statute
14 which prohibited unregistered sales of securities from Arizona apply to sales which were
15 negotiated on behalf of an entity with business operations located in Arizona by out-of-state
16 securities salesmen with out-of-state purchasers; and 2) did the application of A.R.S. § 44-1841
17 violate the Commerce Clause. The Court concluded the offering was "from" Arizona due to:

- 18 • The principal place of business and base of operations was in Arizona;
 - 19 • The officers and directors operated from and resided in Arizona;
 - 20 • The stock certificates were prepared and issued by the transfer agent in Arizona;
 - 21 • The Board of Directors meeting took place in Arizona; and
 - 22 • Notice was to be given to the Arizona business location.
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⁴³ See *Media Products, Inc.*, 158 Ariz. at 467, 763 P.2d at 531

1 The factual list that the Court used to assist in deciding whether the transactions were
2 “from” Arizona merely illustrates that Media Products, Inc. had substantial contacts with Arizona;
3 it is not an exclusive list of criteria.⁴⁴

4 Since the Court found that the offer and sales occurred “from” Arizona, the Court then
5 addressed the Commerce Clause issue ultimately concluding that the application of A.R.S. § 44-
6 1841 violated the Commerce Clause due to:

- 7 • Media Products disclosing that it was incorporated in Delaware;
- 8 • the underwriter, brokers and dealers were not residents of Arizona;
- 9 • no sales were solicited or made to Arizona residents; and
- 10 • the offer and sale of the securities were properly registered with the SEC and the
11 states where the purchasers resided.

12 The facts in the present case can be distinguished from those in *Media Products, Inc.*
13 Unlike Media Products, Inc., ARIZONA GOLD:

- 14 • actually offered and sold to Arizona residents;
- 15 • the entities, during the relevant time, were Arizona limited liability companies
16 while Media Products, Inc. was a foreign corporation authorized to transact
17 business in Arizona; and
- 18 • the offers and sales were made by unregistered salesmen who offered and sold
19 unregistered securities.

20 Furthermore, as outlined above, ARIZONA GOLD held its organizational meeting in
21 Phoenix, Arizona, has a manager who was required to reside in Arizona, a business office located
22 in Arizona, a plant in Arizona, a bank account opened in Arizona and the offering materials all
23 emphasize ARIZONA GOLD’s relationship to Arizona. By its own admission, ARIZONA GOLD
24 maintains its principal place of business is in Arizona. More importantly, ARIZONA GOLD has

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26 ⁴⁴ See *Chrysler Capital Corp. v. Century Power Corp.*, 800 F.Supp. 1189, 1193 (S.D.N.Y.1992).

1 Arizona investors. According to ARIZONA GOLD, the investor funds were used to purchase
2 equipment that was shipped to Arizona and is being utilized in Arizona. If offerees or investors
3 needed further information from ARIZONA GOLD, they were directed to contact the Arizona
4 office either via mail or telephone. ARIZONA GOLD's considerable contacts with Arizona are
5 more than ministerial and therefore were offering and selling within or "from" Arizona.

6 **C. THE ATTORNEY GENERAL'S OPINION SUPPORTS A FINDING THAT**
7 **ARIZONA GOLD OFFERING IS FROM ARIZONA.**

8 ARIZONA GOLD cites to an opinion by the Arizona Attorney General's office, but that
9 opinion undermines ARIZONA GOLD's argument. It discusses the language "within or from"
10 contained in A.R.S. § 44-1841.⁴⁵ Although many years have passed since this opinion was issued,
11 its analysis is still valid. The question specifically posed to the Attorney General at the time was:

12 Do the words "within or from this state," contained in
13 A.R.S. § 44-1841, mean that a corporation must register an
14 issue of its stock that is to be offered and sold outside of the
15 State of Arizona merely because it is an Arizona
16 corporation, even though it has no assets within this state,
17 no officers, office or connection with the State of Arizona
18 other than having a statutory agent?

19 The intent and purpose of the Arizona Securities Act is for the protection of the public, the
20 preservation of fair and equitable business practices, and the suppression of fraudulent or deceptive
21 practices in the sale of securities.⁴⁶ The Arizona Securities Act is to be given broad interpretation.⁴⁷

22 The Attorney General's opinion found that, based upon the specific question asked, having
23 no assets, no presence other than a statutory agent and no sales to the residents of Arizona, there
24 was no need to register the stock issue. However, the Attorney General's opinion went on to state
25 that another reason the term "from" Arizona "would be necessary was to prevent the setting up of a
26 base of operations within this state and the selling and offering for sale of securities to people
outside the State of Arizona from within this state."⁴⁸

⁴⁵ Op. Ariz. Att'y Gen. No. 56-140 (August 24, 1956).

⁴⁶ Laws 1951, Ch. 18 § 20.

⁴⁷ Laws 1951, Ch. 18 § 20.

⁴⁸ Op. Ariz. Att'y Gen. No. 56-140 (August 24, 1956).

1 In the case at hand, ARIZONA GOLD intentionally set out to create Arizona limited
2 liability companies (in fact using "Arizona" and "AZ" in its names), that offered and sold to
3 Arizona residents, leased office space and a processing plant in Arizona. ARIZONA GOLD
4 required a manager to relocate to Arizona. Throughout its paperwork, ARIZONA GOLD
5 specifically mentions their affiliation to Arizona. This is the exact type of behavior that "from"
6 Arizona is supposed to address.

7 Under the Attorney General's opinion, ARIZONA GOLD would meet the "from"
8 requirements of A.R.S. §44-1841 and, therefore, all evidence of offers and sales, during the
9 relevant times, should be allowed.

10 **D. ONLY IF THE TRANSACTIONS WERE DEEMED TO BE "FROM" ARIZONA**
11 **WOULD THE COMMERCE CLAUSE NEED TO BE ANALYZED.**

12 Despite ARIZONA GOLD's argument, the Commerce Clause is not unduly burdened by
13 enforcing A.R.S. § 44-1841 against ARIZONA GOLD's activities. Unless a determination is made
14 that the transactions by ARIZONA GOLD are "from" Arizona under A.R.S § 44-1841, an analysis
15 to determine if A.R.S § 44-1841 unduly interferes with interstate commerce would not be
16 necessary. As outlined above, ARIZONA GOLD's activities are "from" Arizona.

17 **1. Interstate commerce is not unduly burdened by A.R.S. § 44-1841.**

18 The Commerce Clause is not excessively burdened by requiring ARIZONA GOLD to
19 comply with A.R.S. § 44-1841. The Commerce Clause invalidates any state statute which directly
20 burdens interstate commerce.⁴⁹ If a state statute incidentally affects commerce, it will be struck
21 down only if the burden imposed is clearly excessive in relation to the local benefits.⁵⁰ The Court
22 in *Media Products, Inc.* found that Arizona had no duty to the purchasers whose home states had
23 already determined that the offerings met their own state's standards and had registered the
24 offerings in those states and with the SEC.⁵¹

25 ⁴⁹ See *Media Products, Inc.*, 158 Ariz. at 467, 763 P.2d at 531.

26 ⁵⁰ *Id.*

⁵¹ *Id.*, 158 Ariz. at 469, 763 P.2d at 533.

1 The Court in *Media Products, Inc.* listed relevant facts that they looked to in determining
2 an excessive burden on the commerce clause.⁵² The Court found that *Media Products, Inc.* was
3 incorporated in the State of Delaware and that was disclosed in the prospectus; the underwriter,
4 brokers and dealers involved in the securities offerings were not Arizona residents; no sales were
5 solicited or made to Arizona residents; and the offer and sale of the securities were properly
6 registered with the SEC and in the states where the purchasers resided.⁵³

7 The business reputation of the State of Arizona was not at stake under the facts of *Media*
8 *Products, Inc.*⁵⁴ However, ARIZONA GOLD's offer and sale of securities does affect the business
9 reputation of the State of Arizona. As described above, ARIZONA GOLD offered and sold to
10 Arizona residents and chose to become Arizona limited liability companies, they established a
11 business office and a processing plant in Arizona, even required one of its managers to move to
12 Arizona.

13 ARIZONA GOLD offered and sold to investors nationwide "from" Arizona. Once the
14 Securities Division filed the TC&D, ARIZONA GOLD alleges that they "immediately took
15 appropriate steps to ensure compliance with the order,"⁵⁵ but they continued the offers and sales
16 "from" Arizona without disclosing to those investors that ARIZONA GOLD was under a TC&D
17 in Arizona.⁵⁶ There were no regulatory protections in place to protect those out-of-state investors.
18 "A state has an interest in seeing that its territory is not used as a base of operations to conduct
19 illegal sales in other states. Thus, the host state has an interest in protecting its reputation as not
20 being a center for illegal or questionable securities activity."⁵⁷ "The state correctly asserts that
21 Arizona has an important interest in keeping itself free of enterprises which offer questionable
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23 ⁵² See *Media Products, Inc.*, 158 Ariz. at 469, 763 P.2d at 533

24 ⁵³ *Id.*

⁵⁴ *Id.*

⁵⁵ See Motion in Limine, page 6 lines 13-16.

25 ⁵⁶ By ARIZONA GOLD'S own records, they continued to sell the Arizona residents in violation of the Arizona
26 Securities Act and the TC&D. See Motion in Limine, Exhibit 14 attachment C; and See attached Exhibit K, Affidavit
of William Santee.

⁵⁷ *Id.*

1 investment opportunities.”⁵⁸ If any burden on interstate commerce exists in this case, it is merely
2 incidental and not excessive in relation to concerns of the State of Arizona in an effort to prevent
3 issuers from using the State of Arizona as a haven for questionable securities offerings.

4 In this case, ARIZONA GOLD offered and sold securities to Arizona residents, even after
5 the TC&D was filed and served, they held an organizational meeting and organized in Arizona and
6 the offering was not registered with the SEC or any other state that sales were made. In addition,
7 ARIZONA GOLD did not use registered securities dealers or salesmen to sell the securities in
8 ARIZONA GOLD. Further, they failed to disclose to those out-of-state offerees and investors that
9 they were under a TC&D issued by the Arizona Corporation Commission, Securities Division.⁵⁹

10 By enforcing A.R.S. § 44-1841, in this case, the Commerce Clause would not be burdened.
11 The State of Arizona has a legitimate local interest in protecting its business reputation from
12 individuals who come into the state, conduct questionable securities offerings and jump the state
13 line and claim they are not bound by the laws of Arizona.

14 **2. Enforcement of A.R.S. §44-1991 does not burden interstate commerce.**

15 In addition to the alleged registration violations under A.R.S § 44-1841, the Securities
16 Division also alleged that ARIZONA GOLD violated the anti-fraud provisions of the Arizona
17 Securities Act.⁶⁰ Where the regulatory statutes may directly burden interstate commerce, the “anti-
18 fraud statutes are remedial in nature and imposes no additional requirements on persons engaged in
19 interstate commerce, nor does it impede *any* interstate transactions.”⁶¹ Therefore, “in no sense does
20 it prevent or burden interstate commerce.”⁶² The State of Arizona has a strong interest in providing
21 remedies for fraudulent securities transactions which occur within or from this state. The
22 commerce clause is not burdened by Arizona attempting to enforce the anti-fraud provisions of the
23 Arizona Securities Act against ARIZONA GOLD.

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25 ⁵⁸ See *Media Products, Inc.*, 158 Ariz. at 469, 763 P.2d at 533

⁵⁹ See attached Exhibit K, Affidavit of William Santee.

⁶⁰ See A.R.S § 44-1991.

⁶¹ *Chrysler Capital Corp.*, 800 F.Supp. at 1195.

⁶² *Id.*

1 **E. SECURITIES DIVISION COMPLIED WITH THE MAY 30, 2012, PROCEDURAL**
2 **ORDER.**

3 ARIZONA GOLD complains of the timing of the Securities Division's production of
4 documents. The Securities Division complied with the May 30, 2012, procedural order by
5 providing ARIZONA GOLD with a copy of its witness list and paper copies of the exhibits it
6 intends to use at the scheduled hearing, as ordered. At no time did ARIZONA GOLD request any
7 discovery earlier than the ordered exchange date. On August 31, 2012, as ordered, the Securities
8 Division provided paper copies of its witness list and exhibits.⁶³ ARIZONA GOLD was notified,
9 via email, that the exhibits were available for pick-up at approximately 1:30 p.m. on August 31,
10 2012.⁶⁴ ARIZONA GOLD requested electronic copies of the exhibits which are scanned copies of
11 the paper copies of the exhibits. On September 7, 2012, the Securities Division mailed a disk
12 containing the scanned paper copies of the exhibits to ARIZONA GOLD.⁶⁵ Accordingly, in no
13 way was ARIZONA GOLD unduly hindered by the timing of the Securities Division's production
of its list of witnesses and exhibits.

14 **F. ARIZONA GOLD KNEW SECURITIES DIVISION SOUGHT RESTITUTION FOR**
15 **ALL OFFERS AND SALES MADE BY ARIZONA GOLD THROUGH JULY 23,**
16 **2012.**

17 ARIZONA GOLD argues that it is unduly surprised that the Securities Division is seeking
18 restitution for all offers and sales made during the relevant time frame, including to out-of-state
19 offerees and investors. This argument seems incongruent. At the initial pre-hearing conference
20 held on May 30, 2012, counsel for the Securities Division was notified by ARIZONA GOLD's
21 counsel that ARIZONA GOLD was continuing to offer and sell securities to out-of-state
22 investors.⁶⁶ At that time, Securities Division counsel notified ARIZONA GOLD that continued
23 offers and sales securities were a violation of the Arizona Securities Act and the TC&D.
ARIZONA GOLD'S counsel stated he disagreed.⁶⁷

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25 ⁶³ See attached Exhibit L.

26 ⁶⁴ See attached Exhibit M.

⁶⁵ See attached Exhibit K, Affidavit of William Santee.

⁶⁶ See attached Exhibit K, Affidavit of William Santee.

⁶⁷ See attached Exhibit K, Affidavit of William Santee.

1 Again on June 12, 2012, at the examination under oath of Respondent Robertson, both
2 ARIZONA GOLD's counsel and general counsel for Arizona Gold Processing, LLC,⁶⁸ notified
3 Securities Division's counsel that they continued to offer and sell securities to out-of-state
4 investors. Securities Division's counsel responded to ARIZONA GOLD and their counsel that
5 continued offers and sales would constitute violations of the Arizona Securities Act and the
6 TC&D.⁶⁹

7 The Securities Division issued a subpoena duces tecum to ARIZONA GOLD with a due
8 date of September 17, 2012, seeking investor information from June 26, 2012, to July 23, 2012.⁷⁰
9 ARIZONA GOLD has failed to comply.⁷¹

10 ARIZONA GOLD cannot reasonably claim they had no knowledge that the Securities
11 Division considered all sales (in-state and out-of-state), within the relevant time frames, were in
12 violation of the TC&D and the Arizona Securities Act.

13 IV. CONCLUSION

14 ARIZONA GOLD's Motion in Limine should be denied because ARIZONA GOLD
15 offered and sold "within and from" Arizona in violation of the Arizona Securities Act. In addition,
16 enforcement of the Arizona Securities Act against ARIZONA GOLD's out-of-state offers and
17 sales does not violate the Commerce Clause.

18 ARIZONA GOLD intentionally solicited Arizona residents, chose Arizona to organize its
19 entities, set up an office in Arizona, established a processing plant in Arizona and required one of
20 its managers to relocate to Arizona. All offering materials, including the PPM provided to
21 investors, during the relevant times, stated that ARIZONA GOLD was operating within and from
22 the State of Arizona. ARIZONA GOLD cannot come to Arizona, offer and sell questionable
23 securities to investors across the nation appearing to be located Arizona, and then jump across state

24 ⁶⁸ Darin H. Mangum, Arizona Gold Processing, LLC General Counsel was admitted Pro Hac Vice on June 25, 2012.

25 ⁶⁹ See attached Exhibit K, Affidavit of William Santee.

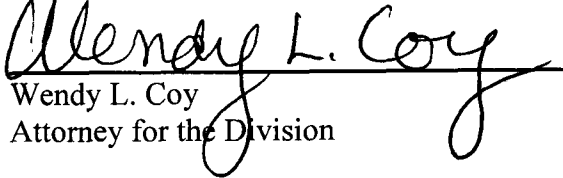
26 ⁷⁰ July 23, 2012 is the date that Respondents merged the Arizona limited liability companies to Nevada limited liability companies of the same name. See attached Exhibit N, subpoena.

⁷¹ On October 2, 2012, as an exhibit to Respondents Motion in Limine, Respondents disclosed at least seven sales of securities took place between June 26, 2012, and July 23, 2012.

1 lines when they are caught violating Arizona laws. For these reasons, the Securities Division
2 requests that the Court deny ARIZONA Gold's Motion in Limine.

3 RESPECTFULLY SUBMITTED this 17th day of October, 2012.

4
5 ARIZONA CORPORATION COMMISSION,
6 SECURITIES DIVISION

7 
8 Wendy L. Coy
9 Attorney for the Division
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SERVICE LIST FOR: ARIZONA GOLD PROCESSING, LLC, AZGO, LLC and CHARLES L. ROBERTSON

ORIGINAL and **8 COPIES** of the foregoing filed this 17th day of October, 2012with:

Docket Control
Arizona Corporation Commission
1200 W. Washington St.
Phoenix, AZ 85007

COPY of the foregoing hand delivered this 17th day of October, 2012to:

The Honorable Marc E. Stern
Hearing Division
Arizona Corporation Commission
1200 W. Washington St.
Phoenix, AZ 85007

Scott M. Theobald, Esq.
Mark A. Nickel, Esq.
Theobald Law, PLC
3219 East Camelback RD, #350
Phoenix, Arizona 85018
Attorneys for Respondents

Darin H. Mangum (*Pro Hac Vice*)
Darin H. Mangum, PLLC
4692 N. 300 West, Suite 210
Provo, UT 84604
Attorneys for Respondents

EXHIBIT “A”



Virtual Office Agreement

Agreement Date (mm/dd/yy):	11/29/2011	Reference No.:	3868335
Business Center Address:		Client Address (not a Regus Center Address):	
2575 E. Camelback Road		Company Name:	Arizona Gold Processing, LLC
Suite 450		Contact Name:	Charles L. Robertson
Phoenix, AZ 85016		Address:	[REDACTED]
		Address:	[REDACTED] TX [REDACTED]
		Phone & Email:	[REDACTED] chazmando12@ [REDACTED]

Start Date (mm/dd/yy):	11/29/2011	Term in Months:	3
------------------------	------------	-----------------	---

All agreements end on the last calendar day of the month.

Payment Details	
Type of Service (Mailbox Plus, Telephone Answering, VO, VO Plus)	Monthly Fee (Excluding local Tax)
Virtual Office (Standard)	USD 169

A standard retainer of 2 x the monthly fee will be due with your first month's fee.

Comments:

Promo: 50% off retainer (deposit)

We are Regus Management Group, LLC. ("Regus"). This Agreement incorporates our terms of business set out on attached terms and conditions which you confirm you have read and understood. We both agree to comply with those terms and our obligations as set out in them. This agreement is binding from the agreement start date and may not be terminated once it is made, except in accordance with its terms. Note that the Agreement does not come to an end automatically. See "Bringing your Agreement to an end".

Name (printed): Charles L. Robertson

Title (printed): President

Date: 11-28-11

SIGNED on your behalf (Client)

Name (printed): Brett Salisbury

Title (printed): Area Sales Manager

Date: November 29, 2011

SIGNED on our behalf (REGUS)

- ☐ We would like to keep you informed of the latest product news, special offers and other marketing information from preferred partners.
If you would like to receive this information then select this box.

ACC000909
FILE #8331

TERMS AND CONDITIONS

1. Product Definition

1.1 Mailbox Plus: Entitles the Client to receive mail at the Regus Center specified in this Agreement ("designated Center"). The Client may use the address of the designated Center for business correspondence subject to exception in certain locations. The Client is not permitted to use the address of the designated Center as their registered office address unless permitted by law (and by Regus) and (if relevant) by local compliance rules.

1.2 Telephone Answering: Entitles the Client to a local telephone number determined by Regus in the designated Center, personalized call answering service during normal business hours, and after business hours and weekend voicemail access.

1.3 Virtual Office and Virtual Office Plus: Includes all services detailed in sections 1.1 and 1.2. In addition the Client is entitled to receive faxes at the designated Center. Due to postal requirements, in the United States only, the Virtual Office product provides 2 days of private office usage per month at the designated Center. Globally, the Virtual Office Plus product provides 5 days of private office usage per month at the designated Center, subject to availability.

2. This Agreement

2.1 Comply with House Rules: The Client must comply with any House Rules which Regus impose generally on users of the designated Center. Such rules are developed and/or imposed to protect Client's use of the designated Center for work. The House Rules vary from country to country and from Center to Center and these can be requested locally.

2.2 Duration: This Agreement lasts for the period stated in it and then will be extended automatically for successive periods equal to the current term but no less than 3 months (unless legal renewal term limits apply) until brought to an end by the Client or by Regus. All periods shall run to the last day of the month in which they would otherwise expire. The fees on any renewal will be at the then prevailing market rate.

2.3 Bringing this Agreement to an end: Either Regus or the Client can terminate this Agreement at the end date stated in it, or at the end of any extension or renewal period, by giving at least three months written notice to the other. However, if this Agreement, extension or renewal is for three months or less and either Regus or the Client wishes to terminate it, the notice period is two months or (if shorter) one week less than the period stated in this Agreement.

2.4 Ending this Agreement immediately: To the maximum extent permitted by applicable law, Regus may put an end to this Agreement immediately by giving the Client notice and without need to follow any additional procedure if (a) the Client becomes insolvent, bankrupt, goes into liquidation or becomes unable to pay its debts as they fall due, or (b) the Client is in breach of one of its obligations which cannot be put right, or (c) its conduct, or that of someone at the Center with its permission or invitation, is incompatible with ordinary office use which shall be determined at Regus' sole discretion.

If Regus puts an end to this Agreement for any of these reasons it does not put an end to any outstanding obligations, including the payment of any additional services used as well as the monthly fee for the remainder of the period for which this Agreement would have lasted if Regus had not ended it.

2.5 If the Center is no longer available: In the event that Regus is no longer able to provide the services at the designated Center stated in this Agreement then this agreement will end and the Client will only have to pay monthly fees up to the date it ends and for the additional services the Client has used. Regus will try to find suitable alternative for the Client at another designated Center.

2.6 Employees: While this Agreement is in force and for a period of six months after it ends, neither Regus nor the Client may knowingly solicit or offer employment to any of the other's staff employed in the designated Center. This obligation applies to any employee employed at the designated Center up to that employee's termination of employment, and for three months thereafter. It is stipulated that the breaching party shall pay the non-breaching party the equivalent of one year's salary for any employee concerned. Nothing in this clause shall prevent either Regus or the Client from employing an individual who responds in good faith and independently to an advertisement which is made to the public at large.

2.7 Client Representation of Regus Employees: Throughout the duration of this agreement, Client agrees that neither Client, nor any of Client's partners, members, officers or employees will represent, or otherwise provide legal counsel to, any of Regus' current or former employees in any dispute with, or legal proceeding against, Regus, or any of Regus' affiliates, members, officers or employees.

2.8 Notices: All formal notices must be in writing to the address first written on the front page of the Agreement. It is the Client's responsibility to keep their address of record up to date with the designated Center at all times.

2.9 Confidentiality: The terms of this Agreement are confidential. Neither Regus nor the Client may disclose them without the other's consent unless required to do so by law or an official authority. This obligation continues after this Agreement ends.

2.10 Applicable law: This agreement is interpreted and enforced in accordance with the law of the place where the relevant Centre is located. Regus and the Client both accept the exclusive jurisdiction of the courts of such jurisdiction. If any provision of these terms and conditions is held void or unenforceable under the applicable law, the other provisions shall remain in force. In the case of Japan all agreements will be interpreted and enforced by the Tokyo District Court, and in the case of France, any dispute regarding this agreement will be settled by the relevant courts of the Paris jurisdiction.

2.11 Enforcing this Agreement: The Client must pay any reasonable and proper costs including legal fees that Regus incurs in enforcing this Agreement.

3. Compliance

3.1 Compliance with the law: The Client must comply with all relevant laws and regulations in the conduct of its business. The Client must do nothing illegal in connection with its use of the Business Center. The Client must not do anything that may interfere with the use of the Center by Regus or by others, cause any nuisance or annoyance, increase the insurance premiums Regus has to pay, or cause loss or damage to Regus (including damage to reputation) or to the owner of any interest in the building which contains the Center the Client is using.

The Client acknowledges that (a) the terms of the foregoing sentence are a material inducement in Regus' execution of this agreement and (b) any violation by the Client of the

foregoing sentence shall constitute a material default by the Client hereunder, entitling Regus to terminate this agreement, without further notice or procedure.

3.2 Data protection: The Client's personal data may be transferred outside the European Union where Regus has a Center for the purposes of providing the services herein Regus has adopted internal rules to ensure data protection in accordance with European regulations.

4. Use

4.1 The Client must not carry on a business that competes with Regus' business of providing serviced office accommodations and virtual offices.

4.2 The Client's name and address: The Client may only carry on that business in its name or some other name that Regus previously agrees.

4.3 Use of the Center Address: The Client may use the designated Center address as its business address. Any other uses are prohibited without Regus' prior written consent.

5. Regus' Liability

To the maximum extent permitted by applicable law, Regus will not be liable for any loss sustained as a result of Regus' failure to provide a service as a result of any mechanical breakdown, strike, or termination of Regus' interest in the building containing the Center.. THE CLIENT EXPRESSLY AND SPECIFICALLY AGREES TO WAIVE, AND AGREES NOT TO MAKE, ANY CLAIM FOR DAMAGES, DIRECT, INDIRECT, PUNITIVE, SPECIAL OR CONSEQUENTIAL, INCLUDING, BUT NOT LIMITED TO, LOST BUSINESS, REVENUE, PROFITS OR DATA, FOR ANY REASON WHATSOEVER ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT, ANY FAILURE TO FURNISH ANY SERVICE PROVIDED HEREUNDER, ANY ERROR OR OMISSION WITH RESPECT THERETO, FROM FAILURE OF ANY AND ALL COURIER SERVICE TO DELIVER ON TIME OR OTHERWISE DELIVER ANY ITEMS (MAIL, PACKAGES, ETC.) OR ANY INTERRUPTION OF SERVICES.

6. Fees

6.1 Taxes and duty charges: The Client agrees to pay promptly (i) all sales, use, excise and any other taxes and license fees which the Client is required to pay to any governmental authority (and, at Regus' request, will provide to Regus evidence of such payment) and (ii) any taxes paid by Regus to any governmental authority that are attributable to the accommodation, where applicable, including, without limitation, any gross receipts, rent and occupancy taxes, tangible personal property taxes, stamp tax or other documentary taxes and fees.

6.2 Service Retainer/Deposit: The Client will be required to pay a service retainer/deposit equivalent to two months of the monthly fee (plus VAT/Tax where applicable) upon entering into this Agreement unless a greater amount is specified on the front of this agreement. This will be held by Regus without generating interest as security for performance of all the Client's obligations under this Agreement. The service retainer/deposit, or any balance after deducting outstanding fees, and other costs due to Regus, will be returned to the Client after the Client has settled their account with Regus and funds have cleared. Regus may require the Client to pay an increased retainer/deposit if outstanding fees exceed the service retainer/deposit held and/or the Client frequently fail to pay Regus' fees when due.

6.3 Registration Fee: The Client will be charged a one-time registration fee. This fee is listed in the House Rules.

6.4 Payment: Regus is continually striving to reduce its environmental impact and supports its clients in doing the same. Therefore Regus will send all invoices electronically (where allowed by law) and the Client will make payments via an automated method such as Direct Debit or Credit Card, wherever local banking systems permit.

6.5 Late payment: If the Client does not pay fees when due, a fee will be charged on all overdue balances. This fee will differ by country and is listed in the House Rules. If the Client disputes any part of an invoice the Client must pay the amount not in dispute by the due date or be subject to late fees. Regus also reserves the right to withhold services (including for the avoidance of doubt, denying the Client access to its accommodation, where applicable) while there are any outstanding fees and/or interest or the Client is in breach of this Agreement.

6.6 Insufficient Funds: The Client will pay a fee for any returned check or any other declined payments due to insufficient funds. This fee will differ by country and is listed in the House Rules.

6.7 Regus will increase the monthly virtual office fee each and every anniversary of the start date of this agreement by a percentage amount equal to the increase in the All Items Retail Prices Index, or such other broadly equivalent index which Regus substitutes provided that if the foregoing increase is not permitted by applicable law, then the monthly virtual office fee shall be increased as specified in the House Rules. This will only apply to agreements that have an original start and end date constituting more than a 12 month term. Renewals will be renewed as per clause 2.2 above and only those renewals with a start and end date constituting a term of over 12 months will have the same increase applied.

6.8 Standard services: The monthly fee and any recurring services requested by the Client are payable monthly in advance. Unless otherwise agreed in writing, these recurring services will be provided by Regus at the specified rates for the duration of this Agreement (including any renewal). Specific due dates will differ by country and are listed in the House Rules. Where a daily rate applies, the charge for any such month will be 30 times the daily fee. For a period of less than a month the fee will be applied on a daily basis.

6.9 Pay-as-you-use and Additional Variable Services: Fees for pay-as-you-use services, plus applicable taxes, in accordance with Regus' published rates which may change from time to time, are invoiced in arrears and payable the month following the calendar month in which the additional services were provided. Specific due dates will differ by country and are listed in the House Rules.

6.10 Discounts, Promotions and Offers: If the Client benefited from a special discount, promotion or offer, Regus may discontinue that discount, promotion or offer without notice if the Client breaches these terms and conditions or becomes past due on two or more occasions.

One-Time Credit Card Payment
Information Sheet

Salesperson: Brett Salisbury
Date Completed: 11-29-11

This form is to be printed and completed legibly by the salesperson anytime a client provides their credit card number over the phone for payment of initial charges on a new agreement:

All of the information below is mandatory for processing the client's one-time payment:

Client Company Name: Charles L. Robertson (Arizona Gold Processing LLC)

Client/Cardholder's Name (as it appears on card): Charles L. Robertson (Houston Energy Exchng)

Credit Card Type: ☒ Visa ☐ MasterCard ☐ American Express

Credit Card Number: [REDACTED]

Expiration Date: 5-15

Check here if the client's credit card billing address is the same as what is on agreement: ☒
If billing address is different than the agreement address, please complete this section below:

Billing Address (as it appears on card billing statement): [REDACTED]

[REDACTED] TX [REDACTED]

Customer's Telephone Number (as listed with Credit Card Company): [REDACTED]

Email Address of Cardholder: Chaz.mando12@ [REDACTED]

Please note: This form should be sent to the center manager so that the initial payment can be processed. This credit card number will not be stored or used for the client's recurring charges. The center manager will discuss preferred payment methods during the MIQ and collect the recurring Credit Card Authorization point (with client signature) at that time.

Virtual Office Move-in Questionnaire



Arizona Gold Processing

Start Date: 11/28/11]

Step 1 – Personalizing your Service

Your package includes call answering for up to 3 named contacts free of charge. Please detail the named contacts you would like to add below starting with the "primary contact". The primary contact receives a complimentary businessworld Gold card. If you would like Gold cards for your additional named contacts please see below "available upgrades".

► **Free Named Contacts:**

1. Chaz Robertson Work phone: _____
Mob. phone: _____
Email: chazmando12@ _____
☒ Free businessworld Gold card (please untick if not requested)
2. Terry Hepler Work phone: _____
Mob. phone: _____
Email: terryhepler88@ _____
3. _____ Work phone: _____
Mob. phone: _____
Email: _____

- ☐ Do you already have a businessworld Gold card through a Regus partnership program?
If so, which one?

(Please note if you do not have a Gold card, it will be charged at \$200 per year)

- Below are available **upgrades** you can select to enhance the functionality of the phone answering service.
Select the services that are of interest or that you'd like more information:

- ☒ **Additional Named Contacts** – if you have more than 3 colleagues that you need to associate with your virtual office, we would be happy to arrange call handling for them.

If you are interested in this upgrade please list up the additional names below:

1. Darin Mangum
2. David Mangum
3. _____
4. _____

- ☐ **2 for 1 offer: Purchase businessworld gold cards for the members of your company and get additional voicemail boxes FREE** – your virtual office comes with a Regus voicemail box where all messages are routed out of hours, however, many companies like the convenience of having a voicemail box for each employee so that messages can be routed to the correct individual.

If you are interested in this upgrade please list up your contact names below:

1. _____
2. _____
3. _____
4. _____

ACC000912
FILE #8331

Step 2 – Mail & Fax Handling



► **What is your preferred method for handling and forwarding your mail?**

- ☐ Please hold my mail and faxes at the centre as I will pick them up during standard business hours when convenient.

OR

- ☒ I would like my mail forwarded:

☒ Daily

By:

☐ Weekly

☐ Monthly

☐ Fax

☐ Mail 4692 north 300West, Suite 210, Provo, UT.

84604

☐ Courier <enter address>

☐ Email <enter email address>

- ☒ I would like my faxes forwarded:

☒ Daily

By:

☐ Weekly

☐ Monthly

☐ Fax 281-619-8371

☐ E-mail <enter address>

☐ Mail <enter address>

☐ Courier <enter address>

☐ Email <enter email address>

Step 3 – Telephone Answering

► Please state the name of your company or how you would like your calls to be answered⁽¹⁾:

Arizona Gold Processing

► Your calls will be answered as you have indicated above. They are then transferred directly to your voicemail box. If any messages are taken by hand how would you like them handled:

- ☐ E-mail ☐ SMS* ☒ Voicemail

- ☐ **Call Patching/Transfer** – the receptionist will put calls through to you wherever you are (at home, traveling, in your car, etc) which allows you to be 100% mobile and productive without missing a call.

Call Patching Number: _____

- ☐ **Call Screening** – the receptionist will answer your calls then announce them when forwarding them to you, which will allow you to decide whether you want to take the call directly or have them go to voicemail.

- ☐ **End of Day messaging via email*** – your virtual personal assist will transcribe all messages that were sent to your voicemail box during the day and email them to you.

Step 4 – Your Image

► **Would you like to advertise your company in the building directory or in the reception area*?**

- ☐ Yes ☒ No

If yes, please print how you would like your company name to appear:

ACC000913
FILE #8331

Step 5 – Other Value Added Service

► **Please let us know if we can help you with the following services:**

- ☐ Additional storage space*
☐ Company stationery (personalized business cards, envelopes, letterhead, note pads...)? _____
☐ Office supplies (pens, ruler, paper, calculator, files etc)? _____

Additional charges for some services listed in this questionnaire may apply. They will be discussed when reviewing this form with the Centre Manager.
Please note certain items marked with an asterisk (*) may not be available at your location.
Apr 2011 / verber

(1) Mandatory field

☐ Conference call account set up

**Regus**

ACC000914
FILE #8331

*Additional charges for some upgrades listed in this questionnaire may apply. They will be discussed when reviewing this form with the Center Manager.
Please note certain items marked with an asterisk (*) may not be available at your location.*

(1) Mandatory field

Step 6 – Additional Mobility Options



- Please tick the box if you are interested in hearing about the following additional services:

- ☐ **Virtual Office Plus:** 5 Days Private Office usage at my Virtual Office location.
- ☐ **Businessworld Platinum programs:** Offers customers the flexibility to use private or shared offices in any Regus location worldwide. A Platinum membership is available for 5, 10 or unlimited days usage.
- ☐ **Multiple Location discounts:** If you need multiple locations, Regus provides excellent volume discounts offering you the first month free up-front on each agreement, for a minimum 12-month term.

Step 7 – Account Management

- Please select your preferred payment option⁽¹⁾: ☒ Credit Card ☐ Direct Debit

Credit card is required for initial payment and security against payment defaults.

The Direct Debit Authorization form is attached to this document, on the following page. Please fill it out, sign it and return it to the Center Manager.

- Regus is trying to keep our environment in mind at all times, therefore all Invoices will be sent electronically. Please ensure the invoice contact email specified below accepts all regus.com emails.

- To aid in payment processing, please supply us with information to include on your invoices:
Reference(s): Gold

- Please provide us with the address to appear on your invoices (it should be different than the center address):

Company Name: Arizona Gold Processing
Contact Name: Chaz Robertson
Address: 4692 north 300West, Suite
210, Provo, UT, 84604
832-738-2106
Tel/Fax: 281-619-8371
Email: chazmando12@
Invoice Contact? ☒ Yes ☐ No

- If you want your invoicing address to be the same as the center address, please provide an **alternative address** for our records:

Company Name: _____
Contact Name: _____
Address: _____
Tel/Fax: _____
Email: _____
Invoice Contact? ☐ Yes ☐ No

- Email additional copies to: <to whom - name, department>

Phone: _____
Email: _____

- Please use the space below for particular items needed or special requirements for your company. We will review and contact you to discuss in further detail as needed:

All packages that aren't junk mail please fedex on our account #118400461 to our Utah address.

Thank you for your information.
We look forward to supporting your business.

ACC000915
FILE #8331

Direct Debit Authorization Form



Thank you for your interest in participating in our Direct Debit Program. This will allow us to charge your monthly payments directly from your bank account. It's a convenient way to pay your office and service charges each month. Here is how the program works:

- Each month, your regular office and services invoicing will be sent to you, showing your usage, total balance due, and due date.
- On the 3rd business day prior to the 1st of the month, the total balance due shown on the invoice will be automatically withdrawn from your designated bank account.

To begin the Direct Debit Program, simply fill out the information requested below and provide it to your Center Manager. Please be sure to enclose a VOIDED check from the account you wish your monthly payments to be taken from so that we can verify the bank routing information.

All Direct Debit Authorizations Forms received on or before the 20th of the month will take effect immediately and you will not need to remit any further payments. If you submit your Direct Debit Authorization Form after the 20th of the month, please remit payment for the invoice due on the 1st. The Direct Debit will be in effect for the next invoice you receive. We appreciate your interest in the Direct Debit Program, and hope it makes paying your invoices a little easier each month. If you have additional questions about this program, please call the Treasury Department at 214-295-3186 or 214-295-2348.

This authority will remain in full force and effect until Regus has received notification, in writing, in such time and such manner as to afford Regus a reasonable time to act on it but not less than 30 days. Customer understands that Regus will initiate a debit to Customer covering fixed charges, including for workstations occupied, connectivity and services packages as well as variable charges incurred up to the date of invoicing. Should funds not be available for the debit, Regus' remedies will be identical to those listed in the service agreement, including the charging and collecting of a NSF Fee and additional late fees.

I authorize Regus Management Group, LLC to withdraw funds necessary to satisfy the amount due on invoices from the following bank account:

Bank Name: _____

Bank Address: _____

Name on Bank Account: _____

Bank Routing Transit Number (ABA): _____

Bank Account Number: _____

Please enclose a voided check from the account you wish monthly payments to be deducted from.

If you currently are paying by credit card and no longer want your card on file, please check the box.

☐ I will no longer pay by credit card for my monthly invoice.

(Please verify accuracy of all the information above before signing.)

To be completed by Regus: _____

Customer Name (Same as in Service Agreement): _____

Customer Account Number: _____

Additional Regus Account Numbers to be paid via Direct Debit: _____

Center Number: _____

Service Agreement Date: _____

Date form is Received by Regus: _____

Name of Person Signing on behalf of Customer: _____

Position of Person Signing on behalf of Customer: _____

Signature of Person Signing on behalf of Customer: _____

Date of signing this authorization: _____

Additional charges for some upgrades listed in this quest online may apply. They will be requested when you pay this form with the Center Manager. Please note certain items marked with an asterisk (*) may not be available at your location. (1) Mandatory field. Apr 2011 15:05

5:6

ACC000916
FILE #8331



Services Price List

Regus Center Hayden Ferry Lakeside

Your Telephone Answering

- *Message Handling* \$1.00 per message
- *Additional Named Contact* \$25 per contact, per month
- *Additional Voicemail Box* \$25 per voicemail, per month
- *Call Patching/Transfer* \$25 per month
- *Call Screening* \$75 per month for first person, \$25 per month for additional
- *End of Day Messaging via Email* \$30 per month

Your Mail & Fax Handling

- *Mail Handling* postage plus 20% handling fee
- *Courier services (Regus preferred supplier)* Preferred rates. Please contact your Center Manager
- *Faxes – In* \$1.00 per page
- *Faxes – Out* \$1.00 per page + call charges

Your Image

- *Signage Building Lobby** \$50/listing to setup - \$25/listing/month

Additional Services

- *Additional Storage Space (inventory based)* Varies by center. Please contact your Center Manager
- *Copying and Printing (per-page pricing)*

	Black & White	Color
2,001+ pages	\$0.06	\$0.59
1,001–2,000 p.	\$0.09	\$0.69
501–1,000 pages	\$0.12	\$0.79
1–500 pages	\$0.15	\$0.99
- *Scanning* \$0.50 per page
- *Administration, Data Entry, Secretarial Support* \$8.00 per 15-minute increment
- *Stationery & Office supplies* Preferred rates. Please contact your Center Manager
- *Meeting Room and Day Office Bookings* From \$25.20 per day
- *Catering Services* Please contact your Center Manager

Miscellaneous

- *Virtual Office Registration fee* \$99

ACC000917
FILE #8331

AFFIDAVIT OF CUSTODIAN OF RECORDS

STATE OF Arizona)
) ss.
County of Maricopa)

The undersigned hereby declares, under oath, that the following statements are true:

1. I am over the age of eighteen, have personal knowledge of the facts set forth below, and am competent to testify.


2. I am the duly authorized Custodian of Records of Regus

3. I have the authority to certify said records.

4. The records submitted herewith are true copies of all records under my possession or control responsive to the Subpoena directed to the Custodian of Records of the entity identified in paragraph 2 above.

5. The records were prepared or obtained by personnel or representatives of the entity or persons acting under the control of personnel or representatives of the entity identified in paragraph 2 above in the ordinary course of business at or near the time of the act, condition, or event in said records.

6. The records are kept in the course of regularly conducted business pursuant to the regular practice of the entity identified in paragraph 2 above.


Custodian of Records

SUBSCRIBED and SWORN to before me this ____ day of _____, 2012, by ____

My Commission Expires:

NOTARY PUBLIC

(seal)

ACC000918
FILE #8331

EXHIBIT “B”

MINUTES
OF
THE ORGANIZATIONAL MEETING OF MEMBERS
OF
AZGO LLC
(an Arizona limited liability company)

The organizational meeting of the members of AZGO LLC (the "Company") was held pursuant to the provisions of the Arizona Limited Liability Company Act, as amended (the "Act"), at 2575 E. Camelback Road, Suite 450, Phoenix, Arizona 85016, on November 30, 2011, at the hour of 11:00 A.M. Pacific Time.

The following were either present or participated via electronic or telephonic device:

Robert T. Hepler;

Charles L. Robertson;

David H. Mangum, solely in his capacity as General Partner of Mangum Family Limited Partnership - One, a Texas limited partnership ("MFLP"); and

Darin H. Mangum, Esq., solely in his capacity as Manager of Ophir Republik LLC, a Utah limited liability company ("OPR").

All of the initial or founding members being present, the meeting then proceeded to be conducted, whereupon Charles L. Robertson was nominated and appointed chairperson of the meeting and Darin H. Mangum was appointed secretary.

Formation of AZGO LLC

The secretary then presented and read to the meeting a copy of the proposed Articles of Organization.

Upon motion duly made, seconded and carried, it was

RESOLVED, the Articles of Organization of the Company is accepted and approved in all respects.

Initials of Members:
RTH: CLR: MFLP: OPR:

The secretary then presented a proposed form of Operating Agreement for the regulation and management of the affairs of the Company.

Upon motion duly made, seconded and carried, it was

RESOLVED, the form of Operating Agreement as reviewed at this meeting is adopted as the Operating Agreement of the Company.

RESOLVED FURTHER, Darin H. Mangum is authorized to execute the Operating Agreement on behalf of the Company as a Manager.

The chairperson then directed for the Operating Agreement to be executed by the appropriate parties thereto and placed in the Company's record book.

The secretary then presented a record book containing copies of the Company's Articles of Organization, its Operating Agreement, and other relevant documents germane to the Company's organization.

Upon motion duly made, seconded and carried, it was

RESOLVED,

- (a) the record book presented to this meeting by the secretary is approved and adopted, and the action of the secretary in inserting in it the foregoing documents is ratified and approved, and
- (b) the secretary is instructed to authenticate the record book, to retain custody of it, and to insert in it the minutes of this meeting and of other proceedings of the Members, Managers, and any committee established by the Managers, and to keep records pertaining to the issuance and transfer of membership interest in the Company.

Initial Capitalization

The chairperson then announced that the following initial Capital Contributions had been committed by the following persons for Membership Interest in the Company as described in the Operating Agreement in the following percentages and thus the Company was able to commence and transact business upon receipt:

Name and Address:	Membership Interest	Capital Contribution
Robert T. Hepler [REDACTED] CA [REDACTED]	25%	\$200.00

Initials of Members

RTT: [initials] CLR: [initials] MELP: [initials] OPR: [initials]

ACC000499
FILE #8331

Charles L. Robertson 25% \$200.00
[REDACTED] TX [REDACTED]

Mangum Family Limited Partnership - One 25% \$200.00
[REDACTED] TX [REDACTED]

Ophir Republik LLC 25% \$200.00
4692 North 300 West, Suite 210
Provo, UT 84604

Upon motion duly made, seconded and carried, it was

RESOLVED, the foregoing subscriptions are hereby accepted.

RESOLVED FURTHER, the secretary is authorized to issue the foregoing Membership Interests upon the books of the Company.

It was then considered as to whether Membership Certificates were needed to reflect Membership Interest in the Company. Upon motion duly made, seconded and carried, it was

RESOLVED, Membership Certificates may be issued in the form or specimen as deemed appropriate by the secretary upon request by a Member.

Authorization to form affiliate Arizona Gold Processing LLC ("AGP")

The chairman then directed the attention of the meeting to the purpose of the Company as set forth in the Operating Agreement. After discussion regarding the same, and upon motion duly made, seconded and carried, it was

RESOLVED, the Company shall form a new wholly-owned subsidiary company called "Arizona Gold Processing LLC" (with the Company as its sole initial manager / member) under the laws of the State of Arizona.

The secretary then presented and read to the meeting a copy of the proposed articles of organization of AGP to be filed with the Arizona Corporations Commission.

Upon motion duly made, seconded and carried, it was

RESOLVED, the articles of organization of AGP are accepted and approved in all respects.

Initials of Members:

RTH: [Signature] CLR: [Signature] MFLP: [Signature] OPR: [Signature]

ACC000500
FILE #8331

The secretary then presented a proposed form of operating agreement of AGP.

Upon motion duly made, seconded and carried, it was

RESOLVED, the Company hereby adopts the forms of operating agreement as reviewed at this meeting for AGP as the governing agreement for such entity.

RESOLVED FURTHER, Darin H. Mangum is authorized to execute the operating agreement of AGP on behalf of the Company.

RESOLVED FURTHER, the Company is authorized to help capitalize AGP by any lawful means to the extent necessary to enable AGP to conduct business.

RESOLVED FURTHER, AGP is authorized to structure and issue securities or other interests to investors and register or exempt the offering of such securities with the United States Securities and Exchange Commission and the several states pursuant to applicable federal and state securities laws and rules to raise sufficient working capital for AGP.

The chairperson then directed for such agreement and articles to be placed into record books for said entity to be prepared and authenticated by the secretary as heretofore done.

Authorization to appoint managers of AGP

The chairperson of the meeting then described the necessity of causing the Company to appoint Managers of AGP as called for under AGP's operating agreement.

The following persons were proposed to be appointed as Managers of AGP to act on behalf of the Company:

Robert T. Hepler;

Charles L. Robertson;

David H. Mangum; and

Darin H. Mangum, Esq.;

No further nominations were made and the nominations were then closed.

Upon motion duly made, seconded and carried, it was

Initials of Members:

RTH: CLR: CLR VFLP: OPR:

RESOLVED, the Company is hereby authorized to appoint the foregoing persons as managers of AGP who are to be endowed all with rights and powers as managers of a limited liability company in accordance with the Act and AGP's operating agreement unless otherwise limited below or via the operating agreement or via contract.

The specific duties and areas of authority of the foregoing managers of AGP was then discussed and considered, whereupon it was:

RESOLVED, unless overridden by a majority vote or written consent of the Members of the Company, or superseded by contract, the following Managers to have the following titles and delegate the following areas of authority regarding the affairs and business of AGP except as otherwise noted, subject to the provisions of their respective manager agreements which shall be negotiated and entered into as soon as possible:

Robert T. Hepler, Operations Manager

- Installation and operation of ore processing equipment;
- Decisions regarding operations and personnel of AGP's processing plant;
- Compliance with all applicable local and state laws, health codes, rules and regulations relating to the operation of AGP's ore processing plant.

Charles L. Robertson, Business Development Manager

- Sales of AGP products and investments;
- Marketing materials and other forms of media;
- Public relations;
- Investor relations;
- Relations with broker-dealers and investment advisors
- To hire other managers of AGP on whatsoever terms deemed expedient; and
- Development and management of AGP outside sales organizations.

David H. Mangum, MBA, Manager of Geology & Engineering

- Geological and engineering matters relating to AGP's processing plant(s);
- Technical evaluations; and
- Due diligence.

Darin H. Mangum, Esq., Manager & General Counsel

- Dispute resolution;
- Regulatory issues;
- Contracts;
- Administrative issues;
- Recordkeeping, accounting, operations, finance, audit, banking and; and
- Transactional matters.

Initials of Members:

RTH: [Signature] CLR: [Signature] MELP: [Signature] OPR: [Signature]

ACC000502
FILE #8331

RESOLVED FURTHER, the duly appointed managers of the Company shall also be designated as managers of AGP with the same titles and areas of authority as established above who are, in turn, authorized to take such other action as may be reasonably required to carry the foregoing resolutions into effect.

Financial and other matters

The chairperson then stated that it was necessary to maintain a depository for the funds of the Company and that of its subsidiary or affiliate companies. Therefore, upon motion duly made, seconded and carried, it was then

RESOLVED, Darin H. Mangum is authorized to open bank accounts on behalf of the Company and AGP.

FURTHER RESOLVED, Darin H. Mangum is authorized to pay all charges and expenses incident to or arising out of the organization of the Company and its subsidiary or affiliate companies and to reimburse any person who has made any disbursement therefor out of the working capital of the Company.

FURTHER RESOLVED, Darin H. Mangum is authorized to engage the accounting services of Biesinger & Kofford CPAs PLLC to maintain the books and accounting records of the Company and AGP.




Upon motion duly made, seconded and carried, it was then

RESOLVED, Darin H. Mangum is directed to obtain in the name of the Company and/or its subsidiary or affiliate companies such other licenses and tax permits as may be required for the conduct of business under any federal, state, county, or municipal governmental statute, ordinance, or regulation, and to do all things necessary or convenient to qualify the Company and its subsidiary or affiliate companies to transact business in compliance with all applicable laws and regulations.

Upon motion duly made, seconded and carried, it was

RESOLVED, for the purpose of authorizing the Company and its subsidiary or affiliate companies to do business in any state, territory or dependency of the United States or any foreign country in which it is necessary or expedient for the Company and its subsidiary or affiliate companies to transact business, Darin H. Mangum is hereby authorized to appoint and substitute all necessary agents or attorneys for service of process, to designate and change the location of all necessary statutory offices and to make and file all necessary certificates, reports, powers of attorney and other instruments as may be required by the laws of such state, territory, dependency or country to authorize the Company and its subsidiary or affiliate companies to transact business therein.

Witness of Members:

RTI:  CIR: CLR MFLP:  OPR: 

ACC000503
FILE #8331

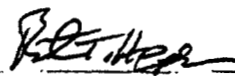

Upon motion duly made, seconded and carried, it was then

RESOLVED, the signing of these minutes shall constitute full consent, confirmation, ratification, adoption and approval of the holding of the above meeting, the actions hereby taken, the resolutions herein adopted and waiver of notice of the meeting by the signatories.


There being no further business before the meeting, on motion duly made, seconded and carried, the meeting was adjourned.

Dated November 30, 2011.

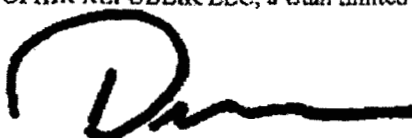
BY THE MEMBERS:






Robert T. Hepler

Charles L. Robertson

MANGUM FAMILY LIMITED PARTNERSHIP - ONE, a Texas limited partnership

By: 
David H. Mangum, its General Partner

OPHIR REPUBLIK LLC, a Utah limited liability company


By: _____
Darin H. Mangum, Esq., its Manager

Initials of Members
RTH:  CLH:  MFLP:  OPR: 

ACC000504
FILE #8331

AZGO LLC

(an Arizona limited liability company)

MANAGER ACCEPTANCE OF APPOINTMENT

The undersigned hereby accepts appointment to serve at the pleasure of the Managers as a manager of AZGO LLC, an Arizona limited liability company (the "Company"), in accordance with the Company's operating agreement, as amended, until my successor is appointed.


Robert T. Hepler

Date: 4/5/12

ACC000505
FILE #8331

AZGO LLC

(an Arizona limited liability company)

MANAGER ACCEPTANCE OF APPOINTMENT

The undersigned hereby accepts appointment to serve at the pleasure of the Managers as a manager of AZGO LLC, an Arizona limited liability company (the "Company"), in accordance with the Company's operating agreement, as amended, until my successor is appointed.



Charles L. Robertson

Date:

3-22-12

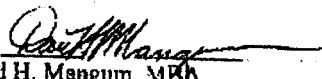
ACC000506
FILE #8331

AZGO LLC

(an Arizona limited liability company)

MANAGER ACCEPTANCE OF APPOINTMENT

The undersigned hereby accepts appointment to serve at the pleasure of the Managers as a manager of AZGO LLC, an Arizona limited liability company (the "Company"), in accordance with the Company's operating agreement, as amended, until my successor is appointed.


David H. Mangum, MBA

Date: 22 Mar 2012

ACC000507
FILE #8331

AZGO LLC

(an Arizona limited liability company)

MANAGER ACCEPTANCE OF APPOINTMENT

The undersigned hereby accepts appointment to serve at the pleasure of the Managers as a manager of AZGO LLC, an Arizona limited liability company (the "Company"), in accordance with the Company's operating agreement, as amended, until my successor is appointed.



Darin H. Mangum, Esq.

Date: 30 November 2011

ACC000508
FILE #8331

EXHIBIT “C”

STATE OF ARIZONA



Office of the
CORPORATION COMMISSION

I, Ernest G. Johnson, Executive Director of the Arizona Corporation Commission, do hereby certify that the attached copy of the following document:

ARTICLES OF ORGANIZATION, 12/01/2011

consisting of 2 pages, is a true and complete copy of the original of said document on file with this office for:

ARIZONA GOLD PROCESSING LLC
ACC file number: L-1723354-6

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the Arizona Corporation Commission on this date:
August 29, 2012.

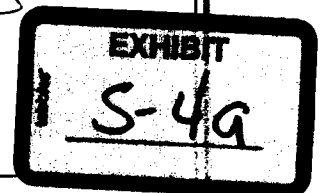


EG Johnson

Executive Director

By: _____

Jeffrey A. Baker



DEC 01 2011

FILE NO. L1723354-6

DO NOT WRITE ABOVE THIS LINE, FOR ACC USE ONLY

ARTICLES OF ORGANIZATION

**DO NOT PUBLISH
THIS SECTION**

NOTE: A professional limited liability company is an LLC organized for the purpose of rendering one or more categories of licensed professional service. Professional service is defined as a service that may be lawfully rendered only by a person licensed in this state to render the service.

1. The LLC name must contain the words "limited liability company" or "limited company" or the abbreviations "L.L.C.", "L.C.", "LLC", or "LC". The Professional LLC name must contain the words "professional limited liability company" or the abbreviations "P.L.L.C.", "P.L.C.", "PLLC", or "PLC."

2. Must be an Arizona address. **DO NOT LEAVE THIS SECTION BLANK**

3. See Section 3 of the instructions above. A statutory agent is a person you appoint that would receive lawsuit papers if the LLC is sued. A street or physical address is required even if the statutory agent has a P.O. Box.

The agent must sign the articles or provide written consent to the appointment.

Select one. This form may be used for:

- ☒ **ARIZONA LIMITED LIABILITY COMPANY (A.R.S. §29-632)**
☐ **ARIZONA PROFESSIONAL LIMITED LIABILITY COMPANY (A.R.S. §29-841.01)**

1. The name of the organization:

A. _____
LLC Name Reservation File Number (if one has been obtained - if not, leave this line blank).
B. ARIZONA GOLD PROCESSING LLC
Limited Liability Company Name

2. Known place of business in Arizona (if address is the same as the street address of the statutory agent, write "same as statutory agent". **DO NOT LEAVE THIS SECTION BLANK**):

Address 2575 E. Camelback Road, Suite 450
City Phoenix State AZ Zip 85016

3. The name and street address of the statutory agent in Arizona:

Name InCorp Services, Inc.
Address 2338 W. Royal Palm Rd., Ste. J
City Phoenix State AZ Zip 85021-9339

Acceptance of Appointment by Statutory Agent:

I InCorp Services, Inc., having been designated to act as
(print name of the Statutory Agent)

Statutory Agent, hereby consent to act in that capacity until removed or resignation is submitted in accordance with the Arizona Revised Statute.

Agent Signature: InCorp Services, Inc.

InCorp Services, Inc.

If the statutory agent is an entity, please print the company name here.

DO NOT PUBLISH THIS SECTION

4. Only required for professional limited liability company. The professional services that the company is organized to perform must be described. Professional service is defined as a service that may be lawfully rendered only by a person licensed in this state to render the service.

5. Check only one box. If a dissolution date is stated, it should include the month, day and year. Perpetual means continuing forever or indefinitely.

6. Check A or B to show which management structure will be applicable to your company. Provide name, title and address for each person.

6A. If reserved to the members, check the Members box and provide the name and address of all members. NOTE: If reserved to the members you cannot list any manager.

6B. If vested in one or more managers check the Managers box and provide the name and address of each manager and of each member who owns a twenty percent (20%) or greater interest in the capital or profits of the LLC/ PLLC.

7. Signature. The person signing this document need not be a manager or member of the company.

4. Professional LLCs only – Professional Services - the Professional Limited Liability Company will provide the following professional services:

5. Life Period of the Limited Liability Company: check one:

- ☐ The LLC will dissolve on ___/___/___ (Please enter month, day and four digit year)
☒ The Limited Liability Company life period is Perpetual.

6. Management Structure: (check one box only) A.R.S. §29-632(5)

A. ☐ RESERVED TO THE MEMBERS

IF RESERVED TO THE MEMBERS, DON'T CHECK ANY MANAGER BOXES.

B. ☒ VESTED IN ONE OR MORE MANAGERS

IF VESTED IN THE MANAGER(S), AT LEAST ONE NAME BELOW MUST HAVE THE MANAGER BOX CHECKED.

Name AZGO LLC

Name _____

☒ Member ☒ Manager (only if "B" is selected above)

☐ Member ☐ Manager (only if "B" is selected above)

Address: 2575 E. Camelback Ste. 450

Address: _____

City, Phoenix State, AZ Zip: 85016

City, _____ State, _____ Zip: _____

Name _____

Name _____

☐ Member ☐ Manager (only if "B" is selected above)

☐ Member ☐ Manager (only if "B" is selected above)

Address: _____

Address: _____

City, _____ State, _____ Zip: _____

City, _____ State, _____ Zip: _____

IF YOU NEED MORE SPACE FOR LISTING MEMBERS / MANAGERS PLEASE ATTACH THE ADDITIONAL PAGE TO THE ARTICLES OF ORGANIZATION.

7. SIGNATURE

Signed on this date: 11/30/2011 (mm/dd/yyyy).

Signature: _____

Print Name Darin B. Mangum

AZGO LLC

If signing on behalf of a company, please print the company name here.

Phone Number: (602) 343-2327

Fax Number: (602) 343-2301

STATE OF ARIZONA



Office of the
CORPORATION COMMISSION

I, Ernest G. Johnson, Executive Director of the Arizona Corporation Commission, do hereby certify that the attached copy of the following document:

ARTICLES OF ORGANIZATION, 12/01/2011

consisting of 2 pages, is a true and complete copy of the original of said document on file with this office for:

AZGO LLC
ACC file number: L-1723355-7

EXHIBIT

5-5a



IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the Arizona Corporation Commission on this date: August 22, 2012.

EG Johnson
Executive Director

By:

Jeffrey A. Bach

DEC 01 2011

FILE NO. L17233557

03685187

DO NOT WRITE ABOVE THIS LINE, FOR ACC USE ONLY

ARTICLES OF ORGANIZATION

**DO NOT PUBLISH
THIS SECTION**

NOTE: A professional limited liability company is an LLC organized for the purpose of rendering one or more categories of licensed professional service. Professional service is defined as a service that may be lawfully rendered only by a person licensed in this state to render the service.

1. The LLC name must contain the words "limited liability company" or "limited company" or the abbreviations "L.L.C.", "L.C.", "LLC", or "LC". The Professional LLC name must contain the words "professional limited liability company" or the abbreviations "P.L.L.C.", "P.L.C.", "PLLC", or "PLC."

2. Must be an Arizona address, DO NOT LEAVE THIS SECTION BLANK

3. See Section 3 of the instructions above. A statutory agent is a person you appoint that would receive lawsuit papers if the LLC is sued. A street or physical address is required even if the statutory agent has a P.O. Box.

The agent must sign the articles or provide written consent to the appointment.

Select one. This form may be used for:

☒ **ARIZONA LIMITED LIABILITY COMPANY (A.R.S. §29-632)**

☐ **ARIZONA PROFESSIONAL LIMITED LIABILITY COMPANY (A.R.S. §29-841.01)**

1. The name of the organization:

A.

LLC Name Reservation File Number (if one has been obtained - if not, leave this line blank).

B. AZGO LLC

Limited Liability Company Name

2. Known place of business in Arizona (If address is the same as the street address of the statutory agent, write "same as statutory agent". DO NOT LEAVE THIS SECTION BLANK):

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City Phoenix State AZ Zip 85016

3. The name and street address of the statutory agent in Arizona:

Name InCorp Services, Inc.

Address 2338 W. Royal Palm Rd., Ste. J

City Phoenix State AZ Zip 85021-9339

Acceptance of Appointment by Statutory Agent:

I InCorp Services, Inc., having been designated to act as
(print name of the Statutory Agent)

Statutory Agent, hereby consent to act in that capacity until removed or resignation is submitted in accordance with the Arizona Revised Statute.

Agent Signature: InCorp Services, Inc.

InCorp Services, Inc.

If the statutory agent is an entity, please print the company name here.

DO NOT PUBLISH THIS SECTION

4. Only required for professional limited liability company. The professional services that the company is organized to perform must be described. Professional service is defined as a service that may be lawfully rendered only by a person licensed in this state to render the service.

5. Check only one box. If a dissolution date is stated, it should include the month, day and year. Perpetual means continuing forever or indefinitely.

6. Check A or B to show which management structure will be applicable to your company. Provide name, title and address for each person.

6A. If reserved to the members, check the Members box and provide the name and address of all members. NOTE: if reserved to the members you cannot list any manager.

6B. If vested in one or more managers check the Managers box and provide the name and address of each manager and of each member who owns a twenty percent (20%) or greater interest in the capital or profits of the LLC/ PLLC.

7. Signature. The person signing this document need not be a manager or member of the company.

4. Professional LLCs only – Professional Services - the Professional Limited Liability Company will provide the following professional services:

5. Life Period of the Limited Liability Company: check one:

- ☐ The LLC will dissolve on ___/___/___ (Please enter month, day and four digit year)
☒ The Limited Liability Company life period is Perpetual.

6. Management Structure: (check one box only) A.R.S. §29-632(5)

A. ☐ RESERVED TO THE MEMBERS

IF RESERVED TO THE MEMBERS, DON'T CHECK ANY MANAGER BOXES.

B. ☒ VESTED IN ONE OR MORE MANAGERS

IF VESTED IN THE MANAGER(S), AT LEAST ONE NAME BELOW MUST HAVE THE MANAGER BOX CHECKED.

Name Robert T. Helper

Name Charles L. Robertson

☒ Member ☒ Manager (only if "B" is selected above)

☒ Member ☒ Manager (only if "B" is selected above)

Address: 14121 Dall Lane

Address: 5090 Richmond Road #648

City, Tustin State, CA Zip: 92780

City, Houston State, TX Zip: 77056

Name Mangum Family LP

Name Ophir Republik LLC

☒ Member ☐ Manager (only if "B" is selected above)

☒ Member ☐ Manager (only if "B" is selected above)

Address: 25602 Pecan Valley Circle

Address: 4692 N. 300 W. Ste. 210

City, Spring State, TX Zip: 77380

City, Provo State, UT Zip: 84604

IF YOU NEED MORE SPACE FOR LISTING MEMBERS / MANAGERS PLEASE ATTACH THE ADDITIONAL PAGE TO THE ARTICLES OF ORGANIZATION.

7. SIGNATURE

Signed on this date: 11/30/2011 (mm/dd/yyyy).

Signature: 

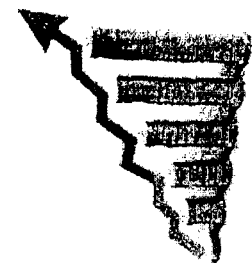
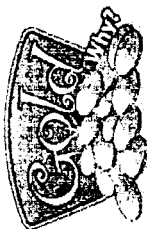
Print Name Darin H. Mangum

If signing on behalf of a company, please print the company name here.

Phone Number: (602) 343-2327

Fax Number: (602) 343-2301

EXHIBIT “D”



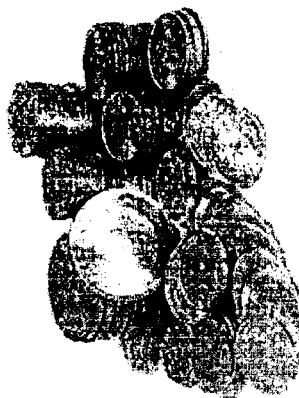
*Today
Gold is Hot!
But... There are
Some Risks with Investing in Gold*

Gold Price Performance USD		
Change	Amount	%
Today	30.11	1.76%
30 Days	-11.80	-0.68%
6 Months	177.10	11.53%
1 Year	351.00	25.76%
5 Years	1075.63	168.66%

goldprice.org



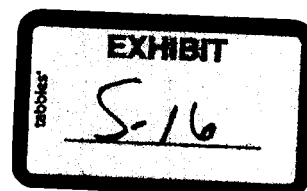
Gold Bullion



Gold Coins

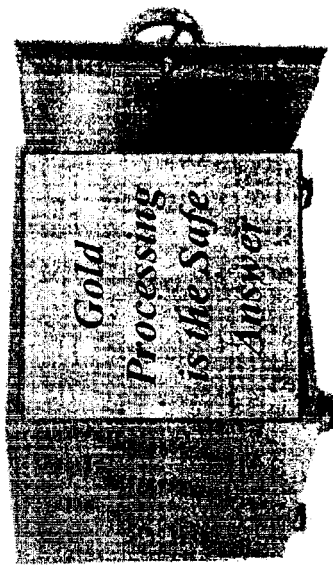


*Exploration &
Proven Gold Mines*



ACC000012
FILE #8331

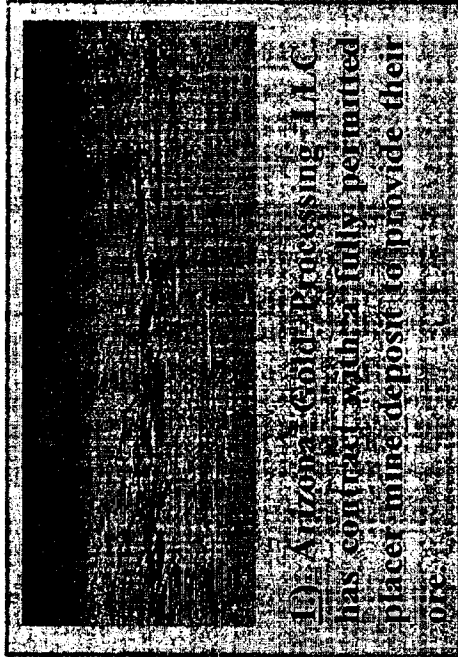
Arizona Gold Processing



Investment Opportunity

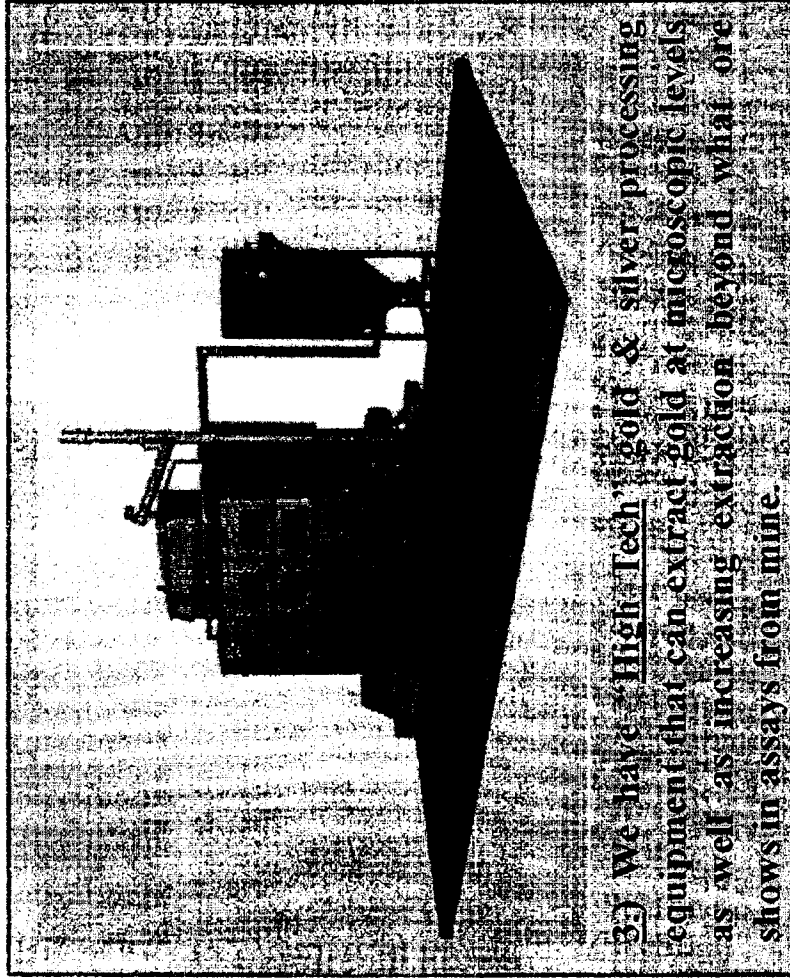
ACC000013
FILE #8331

Gold Processing Investment Overview

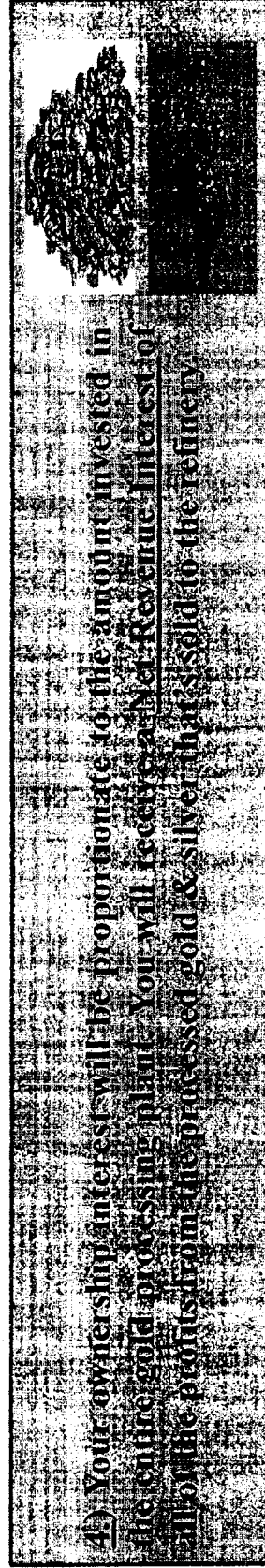


1) Arizona Gold Processing LLC has contracted with a fully permitted placer mine deposit to provide their ore.

2) You will NOT be investing in a gold mine or any form of extracting gold from a mine. You will ONLY be investing in a gold processing plant with (3) one (1) per day gold & silver ore processing equipment operating.

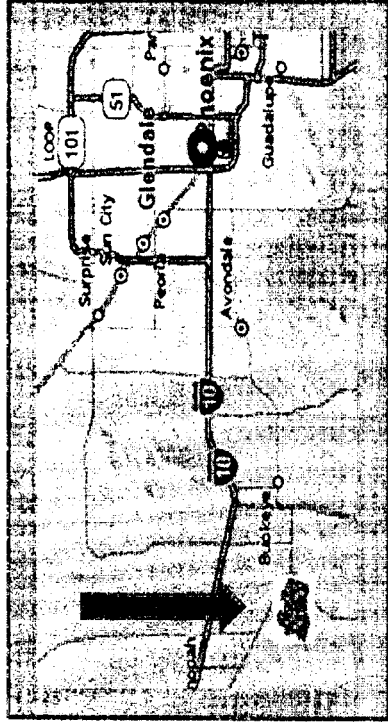


3) We have "High Tech" gold & silver processing equipment that can extract gold at microscopic levels as well as increasing extraction beyond what ore shows in assays from mine.



4) Your ownership interest will be proportionate to the amount invested in the entire gold processing plant. You will receive a Net Revenue Interest of all of the profits from the processed gold & silver that is sold to the refinery.

Ore Deposit Location



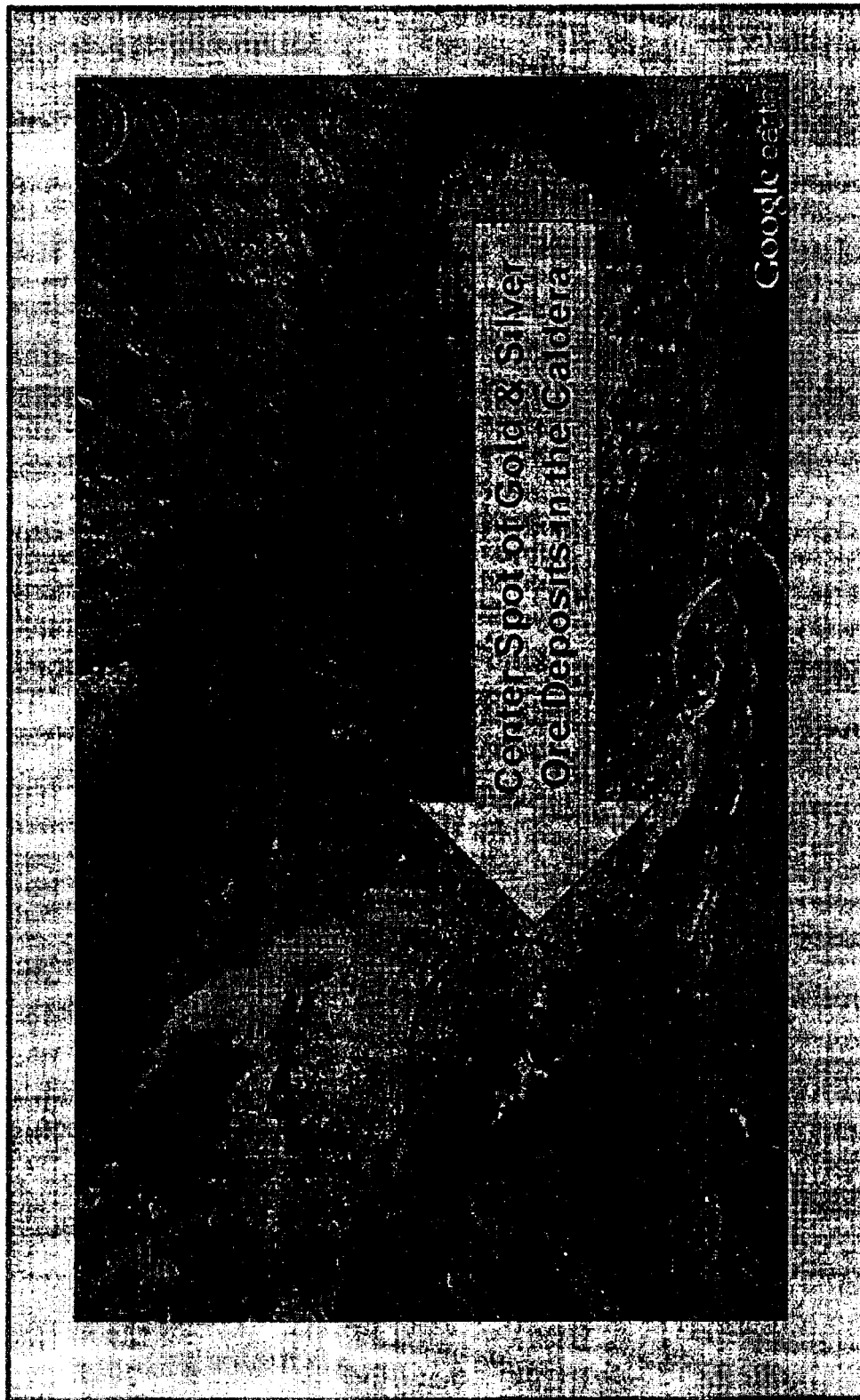
Arizona Gold Processing L.L.C. has a contract for a minimum of 30,000 tons of ore from the placer deposit.

The gold deposits are in a formation called a "Caldera" from the center of a volcano that has been worn down by millions of years of erosion.

This placer ore deposit location has current permits and has been assayed with an average of 3.1 oz. of gold & 12 oz. of silver per ton.

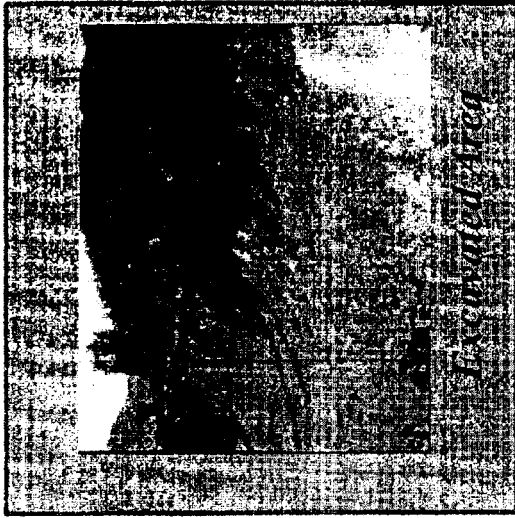
ACC0000015
FILE #8331

“View from 22 Thousand Feet.”



ACC000016
FILE #8331

Views From Gold & Silver Placer Mining Deposit



ACC000017
FILE #8331

Core Samples from Placer Deposit



CSAL INC.
Copper State Analytical Lab

1400 N. 1st St., Phoenix, AZ 85004
Phone: 602-443-0327 Fax: 602-443-0377
www.phoenixcsal.com

Phoenix, AZ 85004

CSAL SAMPLE ID	Client ID	Gold opt	Silver opt	Platinum opt	Palladium opt	Rhodium opt
0709-133730	Bottom Of Wash	3.147	31.32	12.614	5.172	<0.003
CSAL SAMPLE ID	Client ID	Gold opt	Silver opt	Platinum opt	Palladium opt	Rhodium opt
0709-133733	Pit South Wall	0.977	22.16	4.902	<0.003	<0.003
CSAL SAMPLE ID	Client ID	Gold opt	Silver opt	Platinum opt	Palladium opt	Rhodium opt
0709-133732	Nodules From Pit	3.430	19.04	17.8	1.203	<0.003
CSAL SAMPLE ID	Client ID	Gold opt	Silver opt	Platinum opt	Palladium opt	Rhodium opt
0709-133792	Bottom of Wash Tails	9.275	25.91	17.214	3.332	<0.003
CSAL ID	Client ID	Gold opt	Silver opt	Platinum opt	Palladium opt	Rhodium opt
0709-133793	Bottom of Wash Tails of Tails	<0.003	4.20	0.244	<0.003	<0.003
CSAL SAMPLE ID	Client ID	Gold opt	Silver opt	Platinum opt	Palladium opt	Rhodium opt
0709-133729	Congress Sand	3.135	15.06	8.86	2.034	<0.003

More than 65 core samples were tested on 120 acres.

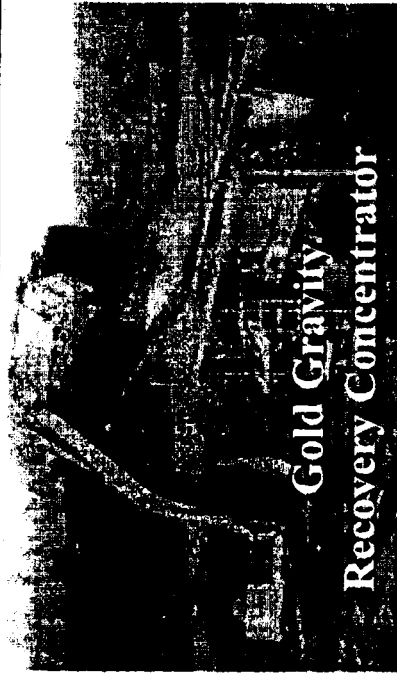
07/19/09

July 17, 2009

Reported By: D.A. Shah / Lab Director

ACC000018
FILE #8331

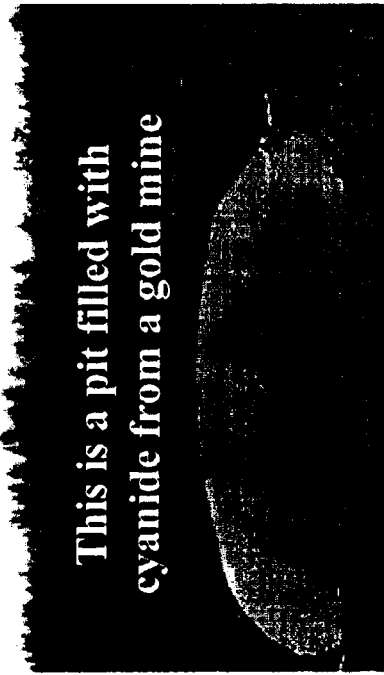
The “Past” of Mining Extraction Process



**Gold Gravity
Recovery Concentrator**

Gold & Silver Placer Mining Extraction Process

- Over 100 Year old Technology
- Only Extracts what can be seen
- Millions of \$\$ Lost in Outdated System



**This is a pit filled with
cyanide from a gold mine**

Gold & Silver Leaching Extraction Process

- Over 100 Year old Technology
- Dangerous Cyanide Acid Process
- NON-EPA Friendly.

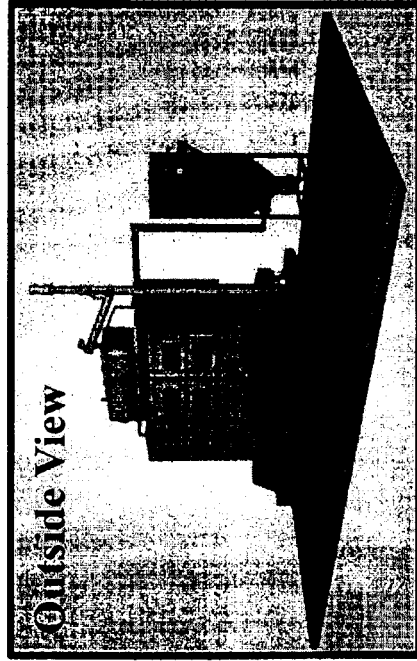


Today's Method of Gold & Silver Extraction

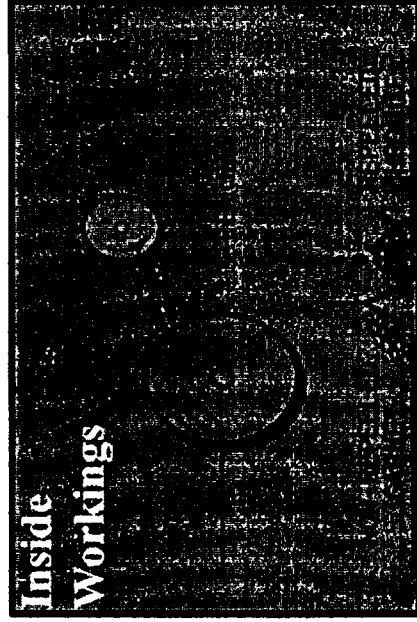
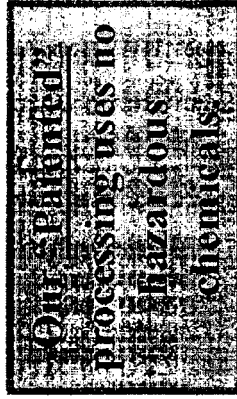


ACC000019
FILE #8331

Today's High Tech Method of Extracting Gold & Silver From Ore



Electrostatic Separation



Magnetic Separation

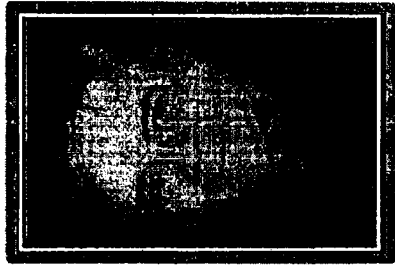
The MRM™ Mineral Recovery Machine

The Technical Analysis ↓

ELECTROSTATIC SEPARATION PROCESS

Electrostatic separators (also known as high tension separators) use the charging and discharging of particles for the selective separation of conductive and non conductive materials. Separation occurs when the different product components of the product feed lose their charge at different speeds. The mixture to be separated is fed onto a rotating drum with vibratory feeder and is then electrostatically charged using high voltages. As a result of this charging, the particles stick to the drum's surface due to electrostatic effects. With the rotation of the separation drum the particles are then taken out of the electrostatic field and discharged. Metallic particles lose their charge very quickly and fall off the separation drum. Non conductors, like plastic particles, are good insulators. They lose their charge very slowly and are "stuck" to the drum for longer. Non conductors will fall off at a different angle or stick to the drum until brushed off. To avoid the mixing of the separated fractions, adjustable splitters are used to separate conductive and non conductive products.

ACC000020
FILE #8331



Dr. Patrick Hayes PhD

Doctorate in Computer Science Masters in Environmental Science

White Papers:

UQD – Universal Quantum Dynamics - 1997
NetSafe – Internet Filtering Solution – 1997
SpeedyIP – IP traffic facilitation – 2000
HydroPure – The Elimination of Smoke from Coal Fired Power Plants – 2001
The Universal Oversight to Hydrogen Use Technologies – 2001
Natural Solutions to Manmade Disasters – 2001
T.O.R. – Elimination of the Tire and Waste Problem – 2001
MRM – Using the Electrical Properties of Elements for Separation – 2003

Personal:

Age: 62
Married w/ 2 Children
Resides in Fuzhou, China and
Phoenix, AZ
Speaks English, Chinese and
Spanish

Education:

University of Arkansas –
Hydrostatic Certification – 1973
Southern Arkansas University –
Fire Technology/ES – Masters –
1979
Asia Pacific University/Tokyo
University – Doctorate of
Humanities – 2000
University of Exeter – Doctor of
Philosophy – Computer Science –
2000
Hillsboro Seminary – Doctor of
Theology – Pastoral - 2002

Patents:

SpeedyIP™ – August 1997
ORF-2001™ – November 2000
HydroTek™ – November 2001
HydroPure™ – November 2001
T.O.R.™ – November 2002
MRM™ – May 2006

Trademarks:

ORF-2001™
Child Shield™
T.O.R.™
MRM™

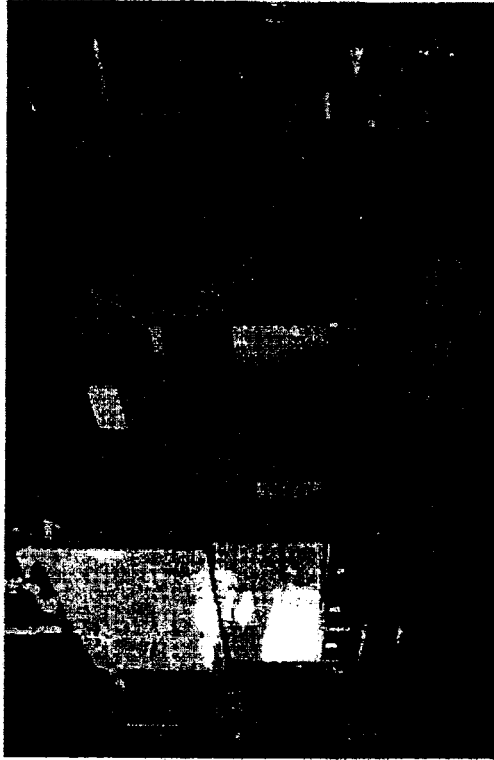
Copyrights:

Child Shield© - Number TX-4-829-259 – Filter
Source Code – Published 31Aug97

Dr. Hayes:

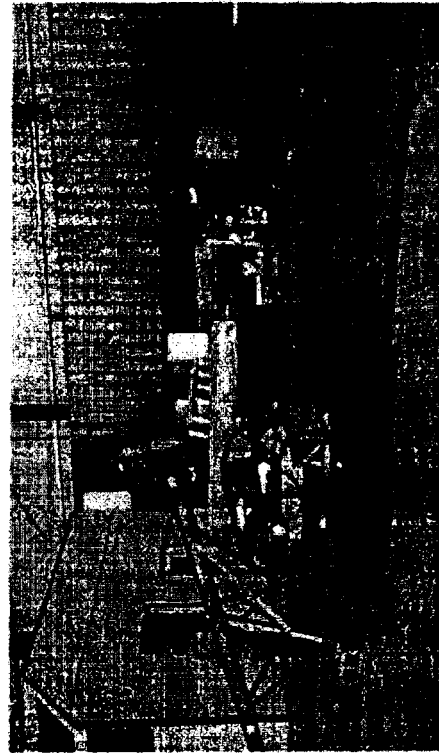
"I have never been one to be satisfied by answers that included "it can not be done" or "you can't do that." My philosophy on any problem is to seek out the answer through common sense and that if a man can make the problem, then a man can correct the problem. I always like to look at what people have provided as solutions to problems, and then tear the answer apart to find a more acceptable solution to the problem. Using this thought process has helped me to develop new answers to problems but with a more economical solution. Having the ability to be broad visional instead of narrowed focus has allowed me to see answers to multiple problems as they are related to one single problem. Also having discovered the true basic core of all theories and applications, and learning how to apply this basic core dynamics to come up with the solutions to the problems I am working on, has enabled me to have a much broader vision than most other researchers."

ACC000021
FILE #8331



Pictures of Extraction Equipment Being Set Up

Adding wiffley table to concentrate the finished product from the MRM-5T



Setting up the wiffley table to run the enhanced red sand as it comes out of the MRM-5T unit.

Ore being excavated and then brought by truck to plant.



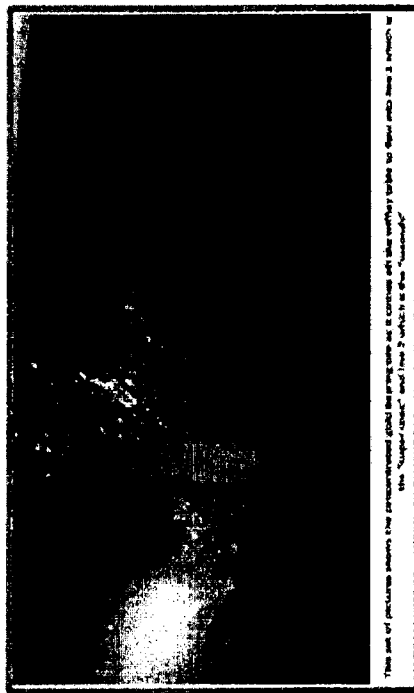
3 tons of ore will be run through extraction equipment daily

ACC0000022
FILE #8331

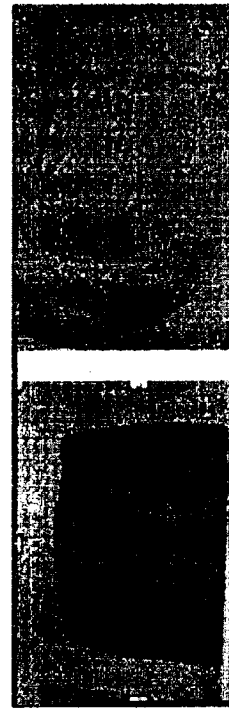
Stages of Gold & Silver Extracted from Ore with System

This is what comes out of extraction equipment

Concentrated ore flowing over wiffley table

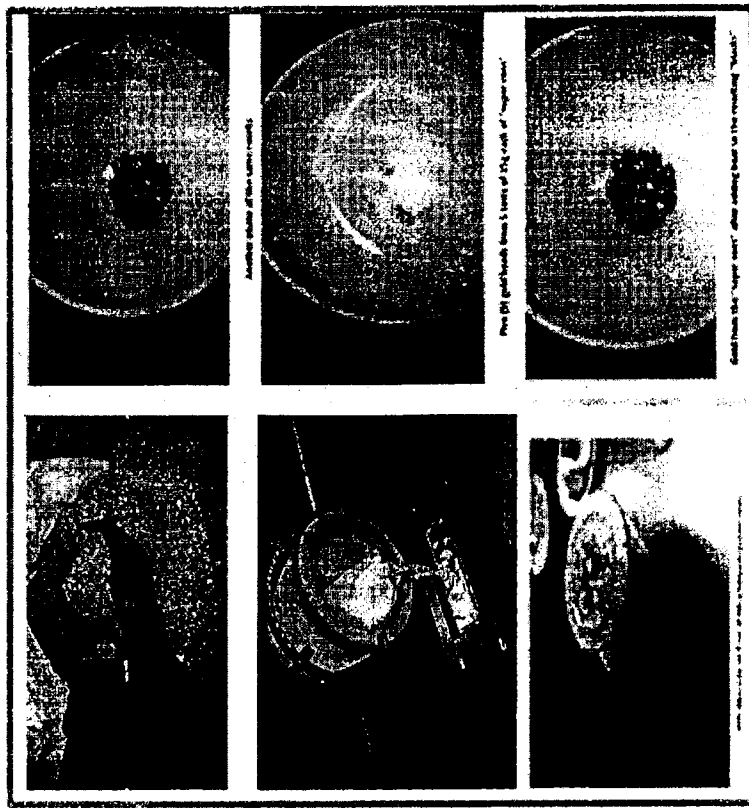


"Super Concentrated" dried ore which is sent to refinery.



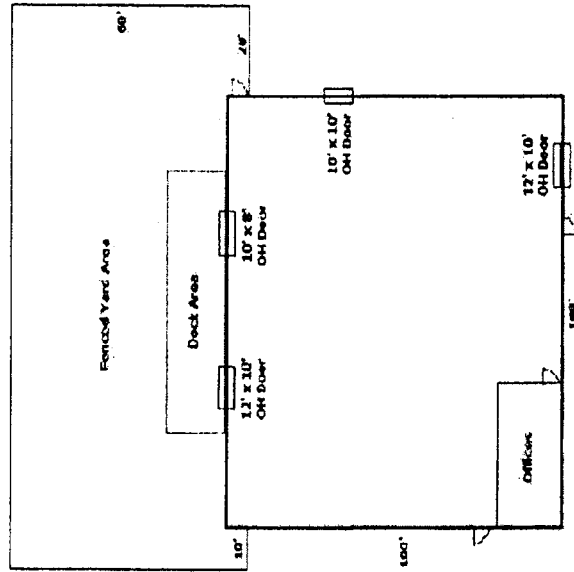
This is the start of the refinery process

Dore bars containing gold & silver additional refining

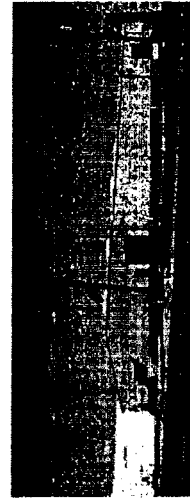


FREESTANDING BUILDING WITH YARD FOR LEASE

1702 EAST UNIVERSITY DRIVE | PHOENIX, ARIZONA

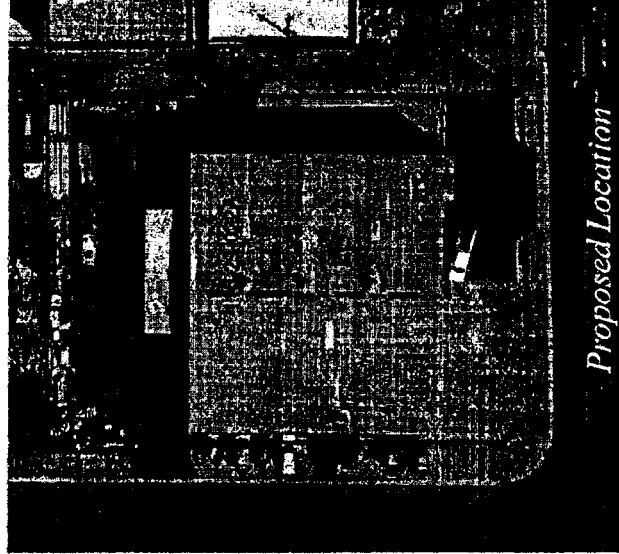


All Drawings Are Approximate - Not Drawn To Scale



Some of the members of the lessor are licensed real estate brokers, associate brokers and/or sales persons in the state of Arizona and are acting as owners/agents.

All information furnished is from sources deemed reliable. No representation is made as to the accuracy thereof and it is submitted subject to errors, omissions, changes, or omissions without notice and to any special listings conditions, including the rate and manner of payment of commissions for particular offerings prepared by principals or agreed to by the company, the terms of which are available to interested parties or brokers.



Proposed Location

ACC000024
FILE #8331

Investment Overview

- > Investment of \$16,750 per unit = (1%). (2 units minimum \$33,500).
- > 100 Working Interest units available with a 70% Net Revenue Interest of plant profits.
- > Daily production rate at 3 tons a day of gold & silver ore.
- > Projected ROI is 9.6 months
- > 5 times cash on cash net return on investment



Return On Investment

- 100% of Net Profit to Investor until 100% of initial investment returned
- 75% of Net Profit to Investor until 200% of initial investment is received
- 50% of Net Profit to Investor until 500% of initial investment is received

Investor returns end after a 500% return of their initial investment

Projected Plant Financial Returns

Example uses 3-1 oz. gold (\$1,500/oz.) & 12 oz. of silver (\$29/oz.) per ton

Year ONE	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	TOTALS
Revenue													
(\$12000) per Hour Jnks (CO.D)	\$ 290,160	\$ 290,160	\$ 290,160	\$ 290,160	\$ 290,160	\$ 290,160	\$ 290,160	\$ 290,160	\$ 290,160	\$ 290,160	\$ 290,160	\$ 290,160	\$ 3,461,920
(\$12000) per Hour Jnks SILVER	\$ 21,715	\$ 21,715	\$ 21,715	\$ 21,715	\$ 21,715	\$ 21,715	\$ 21,715	\$ 21,715	\$ 21,715	\$ 21,715	\$ 21,715	\$ 21,715	\$ 260,580
Total Revenue	\$ 311,875	\$ 311,875	\$ 311,875	\$ 311,875	\$ 311,875	\$ 311,875	\$ 311,875	\$ 311,875	\$ 311,875	\$ 311,875	\$ 311,875	\$ 311,875	\$ 3,722,500
Cost of Goods-Sales													
Dye Fixative - 8%	\$ 24,950	\$ 24,950	\$ 24,950	\$ 24,950	\$ 24,950	\$ 24,950	\$ 24,950	\$ 24,950	\$ 24,950	\$ 24,950	\$ 24,950	\$ 24,950	\$ 299,400
Processing Fee - 13%	\$ 59,256	\$ 59,256	\$ 59,256	\$ 59,256	\$ 59,256	\$ 59,256	\$ 59,256	\$ 59,256	\$ 59,256	\$ 59,256	\$ 59,256	\$ 59,256	\$ 711,075
Employee Production Bonus %	\$ 3,118	\$ 3,118	\$ 3,118	\$ 3,118	\$ 3,118	\$ 3,118	\$ 3,118	\$ 3,118	\$ 3,118	\$ 3,118	\$ 3,118	\$ 3,118	\$ 37,425
Refiner Fees - 2%	\$ 6,238	\$ 6,238	\$ 6,238	\$ 6,238	\$ 6,238	\$ 6,238	\$ 6,238	\$ 6,238	\$ 6,238	\$ 6,238	\$ 6,238	\$ 6,238	\$ 74,850
Total Cost of Goods	\$ 93,563	\$ 93,563	\$ 93,563	\$ 93,563	\$ 93,563	\$ 93,563	\$ 93,563	\$ 93,563	\$ 93,563	\$ 93,563	\$ 93,563	\$ 93,563	\$ 1,122,751
Operating Expenses													
Accounting - CPA	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 6,000
Insurance	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 18,000
Lab Testing Fees	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 24,000
Lie Detector / Security	\$ 1,600	\$ 1,600	\$ 1,600	\$ 1,600	\$ 1,600	\$ 1,600	\$ 1,600	\$ 1,600	\$ 1,600	\$ 1,600	\$ 1,600	\$ 1,600	\$ 19,200
Medical Benefits	\$ 1,200	\$ 1,200	\$ 1,200	\$ 1,200	\$ 1,200	\$ 1,200	\$ 1,200	\$ 1,200	\$ 1,200	\$ 1,200	\$ 1,200	\$ 1,200	\$ 14,400
Miscellaneous	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 6,000
Payroll Expense - Labor	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 120,000
Payroll Expense - Manager	\$ 8,000	\$ 8,000	\$ 8,000	\$ 8,000	\$ 8,000	\$ 8,000	\$ 8,000	\$ 8,000	\$ 8,000	\$ 8,000	\$ 8,000	\$ 8,000	\$ 96,000
Payroll Expense - Payroll Taxes	\$ 4,500	\$ 4,500	\$ 4,500	\$ 4,500	\$ 4,500	\$ 4,500	\$ 4,500	\$ 4,500	\$ 4,500	\$ 4,500	\$ 4,500	\$ 4,500	\$ 54,000
Postage / Shipping	\$ 1,200	\$ 1,200	\$ 1,200	\$ 1,200	\$ 1,200	\$ 1,200	\$ 1,200	\$ 1,200	\$ 1,200	\$ 1,200	\$ 1,200	\$ 1,200	\$ 14,400
Professional Fees	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 6,000
Rent	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000	\$ 48,000
Supplies	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 1,200
Telephone	\$ 200	\$ 200	\$ 200	\$ 200	\$ 200	\$ 200	\$ 200	\$ 200	\$ 200	\$ 200	\$ 200	\$ 200	\$ 2,400
Travel	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 18,000
Trucking and Dye Costs	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 18,000
Utilities	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 60,000
Total Operating Expenses	\$ 43,800	\$ 43,800	\$ 43,800	\$ 43,800	\$ 43,800	\$ 43,800	\$ 43,800	\$ 43,800	\$ 43,800	\$ 43,800	\$ 43,800	\$ 43,800	\$ 525,600
Net Profit (Loss)													
Total Gross Revenue	\$ 311,875	\$ 311,875	\$ 311,875	\$ 311,875	\$ 311,875	\$ 311,875	\$ 311,875	\$ 311,875	\$ 311,875	\$ 311,875	\$ 311,875	\$ 311,875	\$ 3,722,500
Less Cost of Goods-Sales	\$ (93,563)	\$ (93,563)	\$ (93,563)	\$ (93,563)	\$ (93,563)	\$ (93,563)	\$ (93,563)	\$ (93,563)	\$ (93,563)	\$ (93,563)	\$ (93,563)	\$ (93,563)	\$ (1,122,751)
Less Operating Expenses	\$ (43,800)	\$ (43,800)	\$ (43,800)	\$ (43,800)	\$ (43,800)	\$ (43,800)	\$ (43,800)	\$ (43,800)	\$ (43,800)	\$ (43,800)	\$ (43,800)	\$ (43,800)	\$ (525,600)
Net Profit (Loss)	\$ 174,513	\$ 174,513	\$ 174,513	\$ 174,513	\$ 174,513	\$ 174,513	\$ 174,513	\$ 174,513	\$ 174,513	\$ 174,513	\$ 174,513	\$ 174,513	\$ 2,094,152

Arizona Gold Processing LLC cannot be held responsible accurate assays of placer deposit, gold and silver prices or any interruptions in daily production of gold and silver processing because of equipment failure or mother nature.

Maximum expenses at \$50,000 ea. mo.

ACC0000026
FILE #8331

Investment Cash Flow

Key Assumptions: Gold \$1,500/oz. & Silver \$29/oz.

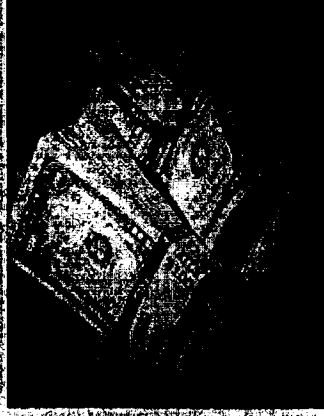
Net Yield 3.1 oz of gold per ton & 12 oz of silver per ton

Gold value per ton = \$4,650

Silver value per ton = \$348

Gold & Silver per ton = \$4,998

Gold & Silver processed 26 days each month



80% daily capacity 200 lbs an hour (Can run equipment 10 hours @ 200 lbs an hour to process a ton a day) Only run 8 hours a day to use one crew. So each processing machine produces 80% of capacity.

23 tons a day gold & silver are processing @ \$4,998 = \$114,994 X 80% capacity = \$91,995.20 X 26 days per month = \$2,421,875.20 = 30% royalties = \$726,562.56 = (Approximately) 12% management of plant fees \$43,800 = \$174,502 X 1% = \$1,745.12 ea Month per 1% profit

\$16,750 per unit = (1% @ 2-unit minimum)

$$\frac{\$16,750 \text{ per } 1\%}{\$1,745.12} = 9.6 \text{ months}$$

to return initial investment per 1% invested



Expected Plant Financial Returns

Example uses 6.2 oz. gold (\$1,500 oz.) & 24 oz. of silver (\$29 oz.) per ton

Year ONE	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	TOTALS
Revenue													
3,200 lb per Unit GO.L.C.	\$ 580,320	\$ 580,320	\$ 580,320	\$ 580,320	\$ 580,320	\$ 580,320	\$ 580,320	\$ 580,320	\$ 580,320	\$ 580,320	\$ 580,320	\$ 580,320	\$ 6,963,840
3,200 lb per Unit SILVER	\$ 43,430	\$ 43,430	\$ 43,430	\$ 43,430	\$ 43,430	\$ 43,430	\$ 43,430	\$ 43,430	\$ 43,430	\$ 43,430	\$ 43,430	\$ 43,430	\$ 521,560
Total Revenue	\$ 623,750	\$ 623,750	\$ 623,750	\$ 623,750	\$ 623,750	\$ 623,750	\$ 623,750	\$ 623,750	\$ 623,750	\$ 623,750	\$ 623,750	\$ 623,750	\$ 7,485,400
Cost of Goods Sales													
Op Royalty - 8%	\$ 49,900	\$ 49,900	\$ 49,900	\$ 49,900	\$ 49,900	\$ 49,900	\$ 49,900	\$ 49,900	\$ 49,900	\$ 49,900	\$ 49,900	\$ 49,900	\$ 598,800
Processing Fee - 10%	\$ 118,513	\$ 118,513	\$ 118,513	\$ 118,513	\$ 118,513	\$ 118,513	\$ 118,513	\$ 118,513	\$ 118,513	\$ 118,513	\$ 118,513	\$ 118,513	\$ 1,422,156
Employee Production Bonus - 4%	\$ 6,238	\$ 6,238	\$ 6,238	\$ 6,238	\$ 6,238	\$ 6,238	\$ 6,238	\$ 6,238	\$ 6,238	\$ 6,238	\$ 6,238	\$ 6,238	\$ 74,856
Raffian Fees - 2%	\$ 12,475	\$ 12,475	\$ 12,475	\$ 12,475	\$ 12,475	\$ 12,475	\$ 12,475	\$ 12,475	\$ 12,475	\$ 12,475	\$ 12,475	\$ 12,475	\$ 149,700
Total Cost of Goods	\$ 187,125	\$ 187,125	\$ 187,125	\$ 187,125	\$ 187,125	\$ 187,125	\$ 187,125	\$ 187,125	\$ 187,125	\$ 187,125	\$ 187,125	\$ 187,125	\$ 2,245,500
Operating Expenses													
Accounting - CPA	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 6,000
Insurance	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 18,000
Lab Testing Fees	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 24,000
Life Disability/Security	\$ 1,600	\$ 1,600	\$ 1,600	\$ 1,600	\$ 1,600	\$ 1,600	\$ 1,600	\$ 1,600	\$ 1,600	\$ 1,600	\$ 1,600	\$ 1,600	\$ 19,200
Medical Benefits	\$ 1,200	\$ 1,200	\$ 1,200	\$ 1,200	\$ 1,200	\$ 1,200	\$ 1,200	\$ 1,200	\$ 1,200	\$ 1,200	\$ 1,200	\$ 1,200	\$ 14,400
Miscellaneous	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 6,000
Payroll Expense - Labor	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 120,000
Payroll Expense - Manager	\$ 8,000	\$ 8,000	\$ 8,000	\$ 8,000	\$ 8,000	\$ 8,000	\$ 8,000	\$ 8,000	\$ 8,000	\$ 8,000	\$ 8,000	\$ 8,000	\$ 96,000
Payroll Expense - Payroll Taxes	\$ 4,500	\$ 4,500	\$ 4,500	\$ 4,500	\$ 4,500	\$ 4,500	\$ 4,500	\$ 4,500	\$ 4,500	\$ 4,500	\$ 4,500	\$ 4,500	\$ 54,000
Postage/Shipping	\$ 1,200	\$ 1,200	\$ 1,200	\$ 1,200	\$ 1,200	\$ 1,200	\$ 1,200	\$ 1,200	\$ 1,200	\$ 1,200	\$ 1,200	\$ 1,200	\$ 14,400
Professional Fees	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 6,000
Rent	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000	\$ 48,000
Supplies	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 1,200
Telephone	\$ 200	\$ 200	\$ 200	\$ 200	\$ 200	\$ 200	\$ 200	\$ 200	\$ 200	\$ 200	\$ 200	\$ 200	\$ 2,400
Taxes	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 18,000
Travel and Ore Costs	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 18,000
Utilities	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 6,000
Total Operating Expenses	\$ 43,800	\$ 43,800	\$ 43,800	\$ 43,800	\$ 43,800	\$ 43,800	\$ 43,800	\$ 43,800	\$ 43,800	\$ 43,800	\$ 43,800	\$ 43,800	\$ 525,600
Net Profit (Loss)	\$ 623,750	\$ 623,750	\$ 623,750	\$ 623,750	\$ 623,750	\$ 623,750	\$ 623,750	\$ 623,750	\$ 623,750	\$ 623,750	\$ 623,750	\$ 623,750	\$ 7,485,400
Total Gross Revenue	\$ 623,750	\$ 623,750	\$ 623,750	\$ 623,750	\$ 623,750	\$ 623,750	\$ 623,750	\$ 623,750	\$ 623,750	\$ 623,750	\$ 623,750	\$ 623,750	\$ 7,485,400
Less: Cost of Goods Sales	\$ (187,125)	\$ (187,125)	\$ (187,125)	\$ (187,125)	\$ (187,125)	\$ (187,125)	\$ (187,125)	\$ (187,125)	\$ (187,125)	\$ (187,125)	\$ (187,125)	\$ (187,125)	\$ (2,245,500)
Less: Operating Expenses	\$ (43,800)	\$ (43,800)	\$ (43,800)	\$ (43,800)	\$ (43,800)	\$ (43,800)	\$ (43,800)	\$ (43,800)	\$ (43,800)	\$ (43,800)	\$ (43,800)	\$ (43,800)	\$ (525,600)
Net Profit (Loss)	\$ 392,825	\$ 392,825	\$ 392,825	\$ 392,825	\$ 392,825	\$ 392,825	\$ 392,825	\$ 392,825	\$ 392,825	\$ 392,825	\$ 392,825	\$ 392,825	\$ 4,713,900

Arizona Gold Processing LLC cannot be held responsible accurate assays of placer deposit, gold and silver prices or any interruptions in daily production of gold and silver processing because of equipment failure or mother nature.

Maximum expenses at \$50,000 ea. mo.

ACC0000028
FILE #8331

Investment Summary

1. We have a supply agreement for 30,000 tons of ore.
2. That ore was assayed at 3.1 oz. of gold & 12 oz. of silver per ton.
3. Our patented equipment uses no hazardous chemicals.
4. Our equipment recovers at a higher rate than chemical methods.
5. Investment of \$16,750 per unit — (1%). (2 units minimum \$33,500).
6. Projected ROI is 9.6 months.
7. 5 to 1 cash on cash return on investment.

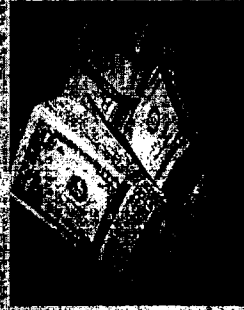


EXHIBIT “E”

INDUSTRIAL LEASE

LANDLORD and American Mineral Recovery, LLC agree:

BASIC LEASE INFORMATION

In addition to the terms which are defined elsewhere in this Lease, the following defined terms are used in this Lease:

- | | | |
|-----|------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| (a) | DATE: | May 21, 2012 |
| (b) | TENANT: | American Mineral Recovery, LLC |
| (c) | TENANT'S ADDRESS: | American Mineral Recovery, LLC
ATTN: Terry Hepler
[REDACTED] AZ [REDACTED] |
| (d) | PERSONAL GUARANTOR: | William C. McCorriston
[REDACTED] Hawaii [REDACTED] |
| (e) | LANDLORD: | Franklin E. Gilbert Properties I, LLC |
| (f) | LANDLORD'S VENDOR NO.: | _____ |
| (g) | LANDLORD'S PHONE NO.: | 480-217-6968 |
| (h) | LANDLORD'S ADDRESS: | _____ |
| (i) | PREMISES ADDRESS: | 40 S. 69 th Ave.
Phoenix, AZ 85043
Parcel No. 104-09-050 |
| (j) | SQUARE FOOTAGE: | +/-12,000 SF industrial building
situated on approximately +/-
12,000 SF industrial building
situated on approx. 1.01 ac. being
the building at 40 S. 69th Ave.
Phoenix, AZ, 85043, the paved
area north of the building to the |

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[Signature] [Signature]
Landlord Tenant

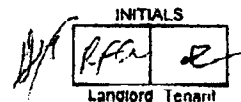
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northern property line, the area east of the building to the eastern property line, the area west of the building to the western property line, the paved area south of the building being approx. 50' +/- wide.

- (k) COUNTY: Maricopa
- (l) TERM COMMENCEMENT DATE: Upon Mutual Execution of the Lease and receipt of deposit and first month's rent.
- (m) TERM: Thirteen (13) months, plus any fractional portion of a month.
- (n) TERM EXPIRATION DATE: June 30, 2013.
- (o) RENT FREE PERIOD: May 21, 2012 – June 30, 2012.
- (p) SECURITY DEPOSIT: \$4,200.00.
- (q) MONTHLY BASE RENT:

		Monthly Lease Rate	Monthly Base Rent
INITIAL TERM	Rent Abatement 5/21/2012 - 6/30/2012	\$0.000	\$0.00
	7/1/2012 - 12/31/2012	\$0.300	\$3,600.00
	01/01/2013 - 06/30/2013	\$0.350	\$4,200.00
	OPTION Year 1	\$0.364	\$4,368.00
	Year 2	\$0.379	\$4,542.72

- (r) ADDITIONAL MONTHLY RENTAL:
Taxes, Insurance and CAM: Anticipated to be \$0.135 p.s.f.

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during initial lease term. All subsequent years will be based on the annual budget.

THIS LEASE is made and entered into as of the date listed above, by and between Landlord and American Mineral Recovery, LLC as Tenant.

WITNESSETH: That the Landlord, in consideration of the covenants of said Lease hereinafter set forth, does lease the Premises to American Mineral Recovery, LLC under the terms and conditions set forth and grants to American Mineral Recovery, LLC the full and quiet enjoyment of the Premises throughout the term of the Lease.

1. Term.

(a) The term of said Lease is for the period specified above, commencing on the Commencement Date and ending on the Expiration Date. American Mineral Recovery, LLC shall be entitled to possession of the Premises when this Lease has been signed.

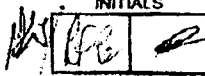
(b) The Rent Free Period of this Lease shall extend between the dates set forth above in (c) of the Basic Lease Information. During the Rent Free Period, American Mineral Recovery, LLC shall pay no rent to Landlord. During the Rent Free Period, American Mineral Recovery, LLC may be fully open for business in the Premises. During the Rent Free Period, all other terms of this Lease shall apply.

(d) If Landlord has not delivered the Premises to American Mineral Recovery, LLC within five (5) days of the signing hereof, American Mineral Recovery, LLC shall have the right to cancel this Lease and have no further obligation to Landlord. In the event of any delay in delivery of the Premises by Landlord to American Mineral Recovery, LLC, the dates of the Rent Free Period shall be adjusted to the actual date of delivery so that the actual duration of such periods remains the same as set forth above.

2. Monthly Rental.

(a) The monthly rental on the Premises shall be the Monthly Base Rent specified above, plus any excise, privilege, or sales tax levied by a political subdivision.

(b) Rental shall commence on the Commencement Date, except as modified by any Rent Free Period, and no rental shall be due for occupancy by American Mineral Recovery, LLC prior to that date. The rental payment due for the first (1st) month in which rent is due shall be paid upon execution of this Lease. If the Commencement Date is not the first (1st) day of the month, then the rental payment for the first (1st) month shall be prorated and the prorated rental payment for the first (1st) month shall be paid upon execution of this Lease. All other payments are due on or before the first (1st) day of each

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calendar month during the term herein without any prior demand.

3. Tenant Purchase Option.

(a) At any time during the term of this lease or any extension thereof, Tenant has the first right of refusal to purchase the Premises, based upon current appraisal showing market price, mutually agreeable terms and by mutual agreement by Landlord to sell and Tenant to purchase, including the building, the area to the north of the building of this parcel and 50 feet to the south of the building of the subject parcel and the area to the east of the building to the parcel lot line (a total of approximately 1.01 acres), at then current market price.

(b) At any time during the term of this lease or any extension thereof, Tenant has the first right of refusal to purchase the remaining land of the subject parcel not included in section 3a based upon current appraisal showing market price, mutually agreeable terms and by mutual agreement by Landlord to sell and Tenant to purchase.

(c) This price does not include Buyer's proportionate share of normal escrow and closing costs, including any lender fees if Buyer chooses to use financing for the purchase. Seller shall be responsible for its share of normal and customary closing costs as well, including the payment of a 3% commission to Jenette Bennett and Gary Eschenroeder, Tri West Commercial and Development at Close of Escrow. Tenant's payment of rent to Landlord shall cease upon Close of Escrow.

4. Taxes, Insurance, and Common Area Maintenance Charges.

(a) American Mineral Recovery, LLC shall also pay monthly as additional rental its Proportionate share of the real property taxes, casualty insurance and Common Area Maintenance (CAM) expenses incurred by Landlord. The amount to be paid by American Mineral Recovery, LLC is set forth in the Basic Lease Information. Annual increases in the amount to be paid by American Mineral Recovery, LLC in subsequent Lease years shall be based on an annual budget. Common use area being the area between the building at 40 S. 69th Ave., Phoenix, AZ 85043 and the building at 6743 W. Farmer Rd., Phoenix, AZ 85043.

(b) Anything to the contrary in this Lease notwithstanding, Common Area Maintenance charges shall not include: (i) depreciation on equipment used to maintain the building; (ii) costs of repairs and replacements to the extent that proceeds of insurance or condemnation awards are received therefore; (iii) attorney's fees, costs and disbursements incurred in connection with matters related to the formation of Landlord as an entity and maintaining its continued existence as an entity; (iv) brokerage commissions paid by Landlord in connection with leasing of space in the center; (v) the costs of building out leasable space in preparation for occupancy; (vi) the cost of substantial replacement of the roof, structural components, building systems, parking lot(s), landscaping or other capital

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expenditures", unless such expenses are amortized over the life of the repair, (vii) principal and interest payments to service the debt under any mortgage secured by the center; (viii) lease rentals under any ground or underlying lease affecting the building; (ix) fees or charges in connection with Landlord's refinancing of any loan secured by the building; (x) any fees incurred contesting any tax related to the Premises unless tenant consents in writing to such contest; however, if such contested taxes are reduced as a result of contesting, Tenant shall be required to participate in the fee to reduce such contested taxes.

5. Security Deposit.

American Mineral Recovery, LLC shall pay, upon the execution hereof, the Security Deposit specified above, as security for the performance of the terms and conditions of this Lease. The Security Deposit shall be returned to American Mineral Recovery, LLC within thirty (30) days of the termination of this Lease, provided American Mineral Recovery, LLC's obligations under this Lease have been fully discharged and provided American Mineral Recovery, LLC is not in default of the Lease.

6. Use of Premises.

The Premises described above are leased to American Mineral Recovery, LLC for the purpose mineral recovery processing. The American Mineral Recovery, LLC office at the Premises may, but is not required to, operate 24 hours a day, 7 days a week. Landlord acknowledges that such a use does not constitute a nuisance.

7. Compliance with Laws.

Landlord represents that as of the Commencement Date the Premises comply with all applicable laws, codes, statutes, ordinances and governmental rules and regulations (hereinafter collectively "Laws"). Notwithstanding anything to the contrary contained in this Lease, Landlord shall, throughout the term of this Lease, at its own expense be responsible for any modifications, repairs, additions or improvements (collectively "Changes") which are required by any governmental authority to cause the common areas to comply with any Laws relating to building safety, fire protection, disabled and handicapped persons, including access to or use of the common areas by persons with disabilities or handicaps, and all other matters relating to or affecting the condition and use of the common areas.

8. Approval by City.

(a) This Lease is contingent upon approval, if required, by the city in which the Premises is located and any other governmental authority having jurisdiction over American Mineral Recovery, LLC's proposed use and occupancy of the Premises and the conformance of that use and occupancy with all zoning and other municipal requirements.

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Such approval shall be a condition precedent to the effectiveness of this Lease.

(b) If American Mineral Recovery, LLC occupies the Premises prior to obtaining final approval by the city or other authority, and approval is thereafter denied within ninety (90) days after the Commencement Date, this Lease shall thereupon terminate, Landlord shall refund American Mineral Recovery, LLC all sums paid and deposited by American Mineral Recovery, LLC therefore, and neither party shall have any further rights or obligations hereunder. If such approval is denied after ninety (90) days following the Commencement Date, this Lease shall thereupon terminate, Landlord may retain the sums paid as rent by American Mineral Recovery, LLC, and neither party shall have any further rights or obligations hereunder.

9. Insurance.

(a) American Mineral Recovery, LLC shall obtain and continue in force during the term of this Lease combined commercial general liability insurance providing protection of at least \$1,000,000.00 single limit with no deductible covering property damage and injury or death to any person or persons. American Mineral Recovery, LLC shall also insure or self-insure (provided Tenant has a net worth of not less than \$10,000,000) its own contents, fixtures, furniture and equipment from loss or damage by fire or other perils.

(b) Tenant shall also insure all plate glass, and machinery in an amount not less than \$1,000,000. Additionally,

(c) Tenant shall also obtain insurance to cover Business Income for a period of 12 months.

(d) Landlord shall obtain and continue in force during the term of this Lease, a policy or policies of insurance covering loss or damage to the building in which the Premises is a part by fire or other perils in the amount of 80% of full replacement value thereof.

(e) American Mineral Recovery, LLC shall maintain workmen's compensation coverage as required by the laws of the State in which the Premises is located, or the laws of the United States.

(f) American Mineral Recovery, LLC agrees, within 10 days of executing the Lease, to provide Landlord with a memorandum copy of all insurance policies maintained by American Mineral Recovery, LLC under this Lease, and additionally name Landlord and the property manager, or any other persons or entities designated in writing by Landlord, as an additional insured party.

10. Waiver of Subrogation.

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American Mineral Recovery, LLC and Landlord each hereby release and relieve the other, and waive their entire right of recovery against the other for loss or damage that may occur to the Premises, improvements therein, or to personal property of American Mineral Recovery, LLC within the Premises, by reason of fire, the elements or other casualty regardless of the cause or origin, including the negligence of Landlord or American Mineral Recovery, LLC or their agents, employees, contractors and/or invitees. American Mineral Recovery, LLC and Landlord shall give notice to their respective insurance carriers, if required, that the foregoing mutual Waiver of Subrogation is contained in this Lease.

11. Repairs.

(a) Except as otherwise provided herein, American Mineral Recovery, LLC agrees to perform all necessary maintenance work to the interior portions of the Premises. American Mineral Recovery, LLC also agrees to maintain and make all repairs to the heating and cooling system.

(b) Landlord warrants that on the Commencement Date the heating, cooling, electrical and plumbing systems shall all be in good and operable condition, the Premises shall be structurally sound, and the roof shall be water-tight. Landlord shall make all necessary repairs to the exterior walls, including electric and plumbing on the exterior of the Premise—excluding doors and windows, which shall be the responsibility of Tenant.

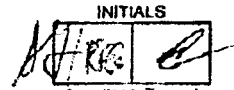
(c) Except as otherwise provided herein, and except for any latent defects in the Premises, American Mineral Recovery, LLC accepts the Premises in its present condition.

12. Modifications.

(a) Landlord shall deliver to American Mineral Recovery, LLC the space in its "as-is" condition.

13. Alterations or Improvements.

(a) American Mineral Recovery, LLC may make improvements or other alterations in the interior of the leased Premises at its own expense, provided, however, that prior to commencing any such work, American Mineral Recovery, LLC shall first obtain written consent from Landlord (which consent shall not be unreasonably withheld). Landlord shall have the right to post a notice of non-responsibility. Such improvements or alterations shall remain the property of the Landlord at the termination of this Lease, unless Landlord requests that the improvements or alterations be removed by American Mineral Recovery, LLC, in which event the improvements or alterations shall be removed prior to

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the Expiration Date without material damage to the Premises.

(b) American Mineral Recovery, LLC shall have the right, but not the obligation, to install in the Premises a security system, video surveillance cameras and/or a currency dispensing machine for its employees' use. No further consent from Landlord shall be necessary for these installations. These systems and equipment shall remain the personal property of American Mineral Recovery, LLC (or its equipment vendors) even though one or all of the items are attached or affixed to the Premises. American Mineral Recovery, LLC shall have the right to remove any or all of these items at any time. American Mineral Recovery, LLC shall repair any damage to the Premises which results from such removal.

14. Services/Utilities.

(a) American Mineral Recovery, LLC shall pay for all water, gas, heat, light, power, sewer charges, garbage collection and all other utility services supplied to the Premises.

15. Assignment/Subletting.

American Mineral Recovery, LLC may assign this Lease without Landlord's consent to a corporation or other entity which is owned by American Mineral Recovery, LLC or to a parent or affiliated company. However, Tenant must provide Landlord with the assignee's financials and any additional information Landlord may need to keep for its records. American Mineral Recovery, LLC agrees that it will not otherwise assign or sublet in whole or part any portion of the leased Premises without the prior written consent of Landlord, which consent will not be unreasonably withheld. Landlord may sell, transfer, or assign all or any part of its interest in the Premises without the consent of American Mineral Recovery, LLC.

16. Injury or Loss.

Landlord shall not be responsible or liable for any loss, theft, or damage to property or injury to, or death of, any person on or about the leased Premises, especially if it is the result of any negligent act or omission of American Mineral Recovery, LLC, and American Mineral Recovery, LLC agrees to indemnify, defend and hold Landlord harmless therefrom.

17. Entry of Landlord.

Landlord reserves the right to enter upon the leased Premises upon obtaining Tenant's permission with no less than twenty-four (24) hours' notice for the purpose of inspecting the Premises, and reserves the right, during the last One Hundred Twenty (120) days of the term of the Lease, to show the Premises at reasonable times to prospective

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tenants, providing American Mineral Recovery, LLC has not tendered a written intent to Landlord to renew this Lease or to negotiate a new Lease for the Premises.

18. Option to Renew.

American Mineral Recovery, LLC shall have the option to renew this Lease for an additional two (2) years upon all of the same terms and conditions, except that the Monthly Base Rent shall be increased in the manner set forth below. Notice of intent to renew shall be given not less than One Hundred Twenty (120) days prior to the Expiration Date. The rental for the additional term shall be computed by increasing the Monthly Base Rent by Four percent (4%) annually.

19. Default.

(a) Written notice of any material breach alleged under this Lease shall be given to the breaching party. If the breaching party has not cured the breach at the end of ten (10) days after receipt of notice by certified mail, or for breaches which cannot be cured in ten (10) days, has not commenced action to cure the breach and completed such action with reasonable promptness, then the breaching party is in default of this Lease.



(b) If American Mineral Recovery, LLC is in default, then the Landlord, after proper notice by certified mail, may do one or more of the following: (1) take possession of the Premises; (2) declare this Lease at an end and terminated; (3) re-enter the Premises and cure said breach at American Mineral Recovery, LLC's cost; (4) sue for its damages including an additional amount for reasonable attorneys' fees and costs; and/or (5) exercise any other remedies allowed by law.

(c) If Landlord is in default, then American Mineral Recovery, LLC, after proper notice by certified mail, may do one or more of the following: (1) declare this Lease at an end and terminated; (2) cure said breach and account for such costs against future amounts due to Landlord; (3) sue for its damages including an additional amount for reasonable attorneys' fees and costs; and/or (4) exercise any other remedies allowed by law.

20. Surrender of Premises.

American Mineral Recovery, LLC shall, upon the expiration of the term of the Lease, or upon an earlier termination hereof, quit and surrender the Premises in good order or condition and repair, reasonable wear and tear excepted. All damage resulting from removal of Tenant's furniture or fixtures shall be repaired to Landlord's satisfaction.

21. Installation of Signs.

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Landlord hereby gives its consent to American Mineral Recovery, LLC to install within the Premise sign or signs as may be useful in connection with its business so long as all such signs comply with all requirements of the city in which the Premises are located; however, all such signs must be professionally constructed. Landlord agrees that American Mineral Recovery, LLC may use all of the existing signs, posts, facilities and equipment currently located within the Premises. American Mineral Recovery, LLC shall remove all signage at the termination of this Lease.

22. Savings Clause.

If any term or provision of this Lease or any application thereof shall be declared or held to be invalid or unenforceable, then the remaining terms and provisions of this Lease shall not be affected thereby.

23. Lien Protection.

American Mineral Recovery, LLC agrees that at no time during the term of this Lease will it permit a lien or encumbrance arising from any act or omission on its part of any kind or nature to come into existence against the Premises. If at any time a lien or encumbrance arising from an act or omission of American Mineral Recovery, LLC is filed against the Premises, American Mineral Recovery, LLC shall promptly discharge said lien or encumbrance, and if said lien or encumbrance has not been removed within thirty (30) days from the date it is filed or recorded against the Premises, American Mineral Recovery, LLC agrees that it will deposit with Landlord cash or a satisfactory bond in an amount sufficient to satisfy the claim of the person or concern filing the lien or encumbrance and shall leave the same on deposit with Landlord until said lien is discharged.

24. Notices.

Any notices or demands to be given hereunder shall be given to Landlord or to American Mineral Recovery, LLC at the addresses set forth in Basic Lease Information or at such other address as may later be provided.

25. Condemnation.

(a) In the event all or any part of the Premises shall be taken by right of eminent domain, or in the event the Landlord makes a conveyance of all or any part of the Premises in lieu of taking by right of eminent domain, then this Lease shall, at the option of either party cease and terminate. In such event, American Mineral Recovery, LLC shall not be required to make any further rental payments to the Landlord.

(b) In the event that an award is made for the taking of such property and parcels of the Premises in condemnation proceedings, or by the right of eminent domain, or conveyance under threat of condemnation proceedings, Landlord shall be entitled to

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Landlord Tenant

receive and retain the amounts awarded or paid for such taking or conveyance, provided, however, that American Mineral Recovery, LLC shall be entitled to receive and retain such amounts as are specifically awarded to it in such proceedings because of the taking of its furniture, or fixtures, and its leasehold improvements which have not become a part of the realty. It is understood and agreed that any amounts specifically awarded in any such taking for the damage to the business of American Mineral Recovery, LLC done at the Premises, or awarded to it as a result of the interference with the access to the Premises, or for any other damage to said business and trade done at the Premises, shall be the property of American Mineral Recovery, LLC, provided, however, that no such claim shall diminish Landlord's award or the award of Landlord's lender.

(c) It is understood and agreed that in the event of termination of this Lease as provided under this Paragraph, American Mineral Recovery, LLC shall have no claim against Landlord for the value of any unexpired term of this Lease and no right or claim to any part of the award on account thereof.

26. Destruction of Premises.

If the Premises are materially damaged as a result of fire or other casualty which casualty is not the result of Tenant's negligence, then either party may terminate this Lease as of the date the damage occurred and both parties shall be relieved from all obligations hereunder. Written notice must be received within ten (10) days of the damage occurring. If neither party terminates the Lease, then Landlord shall, within ninety (90) days after the occurrence of said damage, repair the Premises to its condition immediately prior to said damage. American Mineral Recovery, LLC shall be responsible for replacement of its own fixtures, furnishings and equipment damaged as a result of the damage. Landlord shall provide Tenant with a Vanilla Shell space, similar to current "as-is" condition. Until the repair work has been completed, the rental payments to be made by American Mineral Recovery, LLC shall abate. The rental shall abate completely if the Premises are entirely unusable during the period of repair, and shall abate partially in proportion to the extent to which the damage interferes with use of the Premises if the Premises are usable.

27. Waiver.

No waiver of any breach of any one of the agreements, terms, conditions or covenants of this Lease by Landlord or American Mineral Recovery, LLC shall be deemed to imply or constitute a waiver of any other agreement, term, condition or covenant of this Lease. The failure of either party to insist on strict performance of any agreement, term, condition or covenant, herein set forth, shall not constitute or be construed as a waiver of the rights of either thereafter to enforce any other default of such agreement, term, condition or covenant; neither shall such failure to insist upon strict performance be deemed sufficient grounds to enable either party hereto to forego or subvert or otherwise disregard any other agreement term, condition or covenant of this Lease.

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28. Broker.

In the event any of the parties herein utilizes a real estate agent or real estate brokerage firm in connection with this Lease, Landlord shall be responsible for the payment of any and all commissions resulting therefrom, provided the broker or brokerage firm is disclosed prior to executing this lease document. Tenant has retained Jenette Bennett and Gary Eschenroeder, Tri West Commercial and Development, in connection with transaction. Landlord will pay compensation retained by Tenant in respect to this lease of Three Percent (3%) of the value of the lease consideration upon lease execution, and Three Percent (3%) of any future renewal and/or purchase transaction. Landlord warrants it has not retained a broker or brokerage firm in connection with this transaction.

29. Estoppel Certificate.

Whenever requested to do so by either party, the other party to this Lease shall execute and deliver to the requesting entity within ten (10) days after receipt of a written request a written statement which shall recite all of the following, if true, or which shall recite in detail, in what particular respect any of these items are not true: (a) This Lease is in full force and effect; (b) This Lease is in good standing; (c) All rent payments required to be paid by American Mineral Recovery, LLC up to the date of the statement, have been paid; (d) No advance rent payments have been made, or if any were paid, the specific period of time for which they were paid; (e) This Lease has not been amended or changed; (f) The party providing the statement has no outstanding claims or demands against the other party under the terms and provisions of this Lease; (g) Such other information about the then status of this Lease as might be reasonably requested.

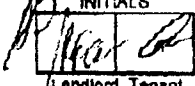
30. Successors.

All of the agreements, terms, conditions, and covenants set forth in this Lease shall inure to the benefit of and be binding upon the heirs, legal representatives, successors, executors and assigns of the parties, except that no assignment of Lease in violation of the provisions of this Lease shall vest any right in the assignee.

31. Guarantors.

William C. McCorriston at 500 Ala Moana Blvd., 4th Floor, Honolulu, Hawaii 96813, shall personally guarantee the lease for the initial term and any renewal option periods. Personal financial statement attached hereto.

(Signatures on the following page.)


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31. Entire Agreement.

This Lease constitutes the entire agreement of the parties hereto. No representations, promises, terms, conditions, obligations or warranties whatsoever referring to the subject matters hereof, other than those expressly set forth herein, shall be of any binding legal force or effect whatsoever. No modification, change or alteration of this Lease shall be of any legal force or effect whatsoever unless in writing, and signed by all the parties hereto. Wherever used herein, the singular shall include the plural, and the use of any gender shall be applicable to all genders.

IN WITNESS WHEREOF, the parties have hereunto set their hands, or caused this Lease to be executed by their authorized agent this 21st day of May, 2012.

LANDLORD:



By: Franklin E. Gilbert Properties I, LLC

Name: George E. Gilbert

Title: Member

GUARANTOR:



By: William C. McCorriston

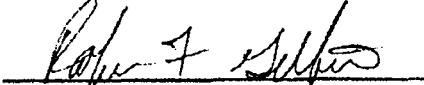
Address:

[REDACTED]

[REDACTED] Hawaii [REDACTED]

[REDACTED]

LANDLORD:




By: Franklin E. Gilbert Properties I, LLC

Name: Robert F. Gilbert

Title: Trustee, Member

TENANT:



American Mineral Recovery, LLC

Name: Robert T. Hepler

Title: Member

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EXHIBIT “F”

ARIZONA GOLD PROCESSING LLC

(an Arizona limited liability company)

MANAGER AGREEMENT

Terry Hepler

THIS MANAGER AGREEMENT (this "Agreement"), to be effective as of December 5, 2011 (the "Effective Date"), is by and between **ARIZONA GOLD PROCESSING LLC**, an Arizona limited liability company (the "Company"), and **Terry Hepler** ("Manager").

The Company and the Manager are collectively referred to herein as the "parties" and each as a "party".

W I T N E S S E T H :

WHEREAS, the Company is a new enterprise seeking to develop and expand its business and opportunities in the field of precious metals refining and related processing equipment and technology (the "Business").

WHEREAS, Manager has knowledge and expertise in general business development matters and is willing to assist the Company in connection with such Business on the terms set forth herein.


NOW, THEREFORE, for valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Company Management:

Manager agrees to:

- (a) Accept appointment as a Manager of the Company as of the Effective Date;
- (b) Help manage the Company in accordance with best industry practices, sound business judgment and in accordance with the terms of the Company's Operating Agreement;
- (c) Help the Company secure equipment and related precious metal refinement technology related to the Business and/or other assets whether in the form of cash, loans, debt, equity, credit, property, like-kind exchanged assets, or any combination thereof;

Initials for Company: ...

Initials of Manager: 

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
- (d) Assume duties as a manager of the Company, subject to the direction of its Managing Member, beginning on the Effective Date hereof until the earlier to occur of either (i) 365 days from the Effective Date hereof or (ii) the Company's decision to cease acquiring assets related to its Business (the "Term"), unless terminated earlier by any party upon delivery to the other of written three (3) days notice;
- (c) Relocate to Phoenix, Arizona;
- (f) Install and operate the Company's ore processing equipment;
- (g) Administer personnel or workers associated with the Company's ore processing plant; and
- (h) Ensure compliance with all applicable local and state laws, health codes, rules and regulations relating to the operation of the Company's ore processing plant.

2. Compensation:

The Company shall:

- (a) Appoint the Manager as a manager of the Company as provided above;
- (b) Subject to Section 2(d) of this Agreement, pay Manager a salary in regular intervals as may be expedient (i.e., weekly, monthly, etc.) equal to the lesser of either (i) ten percent (10%) of the Company's available working capital; or (ii) \$167,500 per year (the "Salary");
- (c) Subject to Section 2(d) of this Agreement, make available to the Manager an Operating Budget of up to the lesser of either (i) thirty percent (30%) of the Company's available working capital; or (ii) \$502,500 per year (i.e., the "Operating Budget"), from which the Manager shall cover costs, expenses, etc., in their sole discretion using their best business judgment in order to develop the Company's Business;
- (d) Determine and adjust the Manager's Salary and Operating Budget from time to time in the Managing Member's sole and absolute discretion without notice depending upon the Company's available working capital (as determined by the Managing Member), the Manager's involvement and/or overall progress of the Company's Business;

Initials for Company:

Initials of Manager: 

ACC000551
FILE #8331

- (c) Reimburse Manager from time to time for any out-of-pocket expenses pre-approved by the Company incurred by the Manager in connection with the management or administration of the Company; and
- (f) Pay Manager such other compensation as mutually agreed in writing between the parties from time to time.

3. Independent Contractor

Both the Company and Manager acknowledge and agree that any services rendered by the Manager hereunder are as an independent contractor and not as an employee of the Company. Accordingly, the Manager may engage in activities outside the Business of the Company (yet may not compete directly or indirectly with or circumvent the Company) and shall be required to allocate only such time as Manager believes is reasonable to pursue the Company's objectives. Likewise, the Company shall have no obligations to the Manager in connection with withholding payroll taxes and the like.

4. Miscellaneous

This Agreement (i) constitutes the entire agreement between the parties hereto with respect to the subject matter hereof and shall supersede all prior understandings and agreements as to such subject matter; (ii) may be amended or modified only by a writing executed by the party against whom enforcement is sought; (iii) shall inure to the benefit of and be binding upon the respective heirs, administrators, personal representatives, successors and assigns of the parties hereto; (iv) has been reviewed by the parties' own respective independent legal counsel; and (v) may be executed in counterparts. The parties further agree to mediate any dispute hereunder before a neutral third party mediator in Utah County, Utah, in accordance with the rules of the American Arbitration Association prior to resorting to litigation.

* * * * *

(signature page follows)

Initials for Company _____

Initials of Manager: 

ACC000552
FILE #8331

IN WITNESS WHEREOF, the parties hereby execute this Agreement to be effective as of the Effective Date.

MANAGER:

Date: _____

Terry Hepler


COMPANY:

ARIZONA GOLD PROCESSING LLC
an Arizona limited liability company

By: AZGO LLC
its Managing Member

By: _____ Date: _____
Charles L. Robertson
Manager of Business Development

Initials for Company: _____

Initials of Manager: 

ACC000553
FILE #8331

ARIZONA GOLD PROCESSING LLC

(an Arizona limited liability company)

MANAGER ACCEPTANCE OF APPOINTMENT

The undersigned hereby accepts appointment to serve at the pleasure and under the direction of the Managing Member as a manager of ARIZONA GOLD PROCESSING LLC, an Arizona limited liability company (the "Company"), in accordance with the Company's operating agreement, as amended, and pursuant to the terms of my Manager Agreement.


Terry Hepler

Date: 4/5/12

ACC000554
FILE #8331

EXHIBIT “G”

Bank of America

Chexsystems
021012YK1107

BANK OF AMERICA, N.A. (THE "BANK")

Limited Liability Company Signature Card

Account Number 9839 ☐ Temporary Signature Card
 Account Type Business Economy Checking
 Account Title ARIZONA GOLD PROCESSING LLC

Name of Company ARIZONA GOLD PROCESSING LLCTax Identification Number

For a Limited Liability Company enter the tax classification (D = disregarded entity, C = corporation, or P = partnership)
 on this line. C

☐ Exempt payee

By signing below, the above named Association agrees that this account is and shall be governed by the terms and conditions set forth in the following documents, as amended from time to time: (1) the Deposit Agreement and Disclosures, (2) the Business Schedule of Fees, and (3) the Miscellaneous Fees for Business Accounts, and the Association further acknowledges the receipt of these documents.

Substitute Form W-9. Certification-Under penalties of perjury, I certify that: (1) The number shown on this form is the correct taxpayer identification number (or I am waiting for a number to be issued to me), and (2) I am not subject to backup withholding because (A) I am exempt from backup withholding, or (B) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (C) The IRS has notified me that I am no longer subject to backup withholding, and (3) I am a U.S. citizen or other U.S. person (as defined in the instructions).

Certification Instructions

You must cross out item (2) above if you have been notified by the IRS that you are currently subject to backup withholding because of underreporting interest or dividends on your tax return. (See also IRS instructions for Form W-9).

The Internal Revenue Service does not require your consent to any provision of this document other than the certifications required to avoid backup withholding.

Name (typed or printed)	Signature	Date
1. <u>Robert T Hepler</u>	<u>[Signature]</u>	<u>2/10/12</u>
2. <u>/</u>	<u>/</u>	<u>/</u>
3. <u>/</u>	<u>/</u>	<u>/</u>
4. <u>/</u>	<u>/</u>	<u>/</u>
5. <u>/</u>	<u>/</u>	<u>/</u>

I, the undersigned, hereby certify (1) that I am a duly authorized member/manager of the Company named above, (2) that the above named person(s) are those persons currently empowered to act under the Company resolutions authorizing this account and the other banking services provided for therein, (3) that the specimen signature set forth opposite the name of each person is true and genuine, and (4) the Substitute Form W-9 certifications.

This 10 day of February 2012 [Signature]
 Member/Manager

ATM/Deposit/Check Card Request

Provided that the account referenced above is eligible to receive automated teller machine cards and/or Check Cards, I (as authorized by the resolutions which authorize this account) hereby request the issuance of such cards to any of the authorized signers on this account.

[Signature] Member/Manager [Signature] Member/Manager

Bank Information	Name
Date: <u>02/10/2012</u>	<u>ROBERT T HEPLER</u>
Banking Center Name: <u>DYSART / CAMELBACK</u>	<u>[Redacted]</u>
Associate's Name: <u>MICHELLE DELGADO</u>	<u>[Redacted]</u>
Associate's Phone Number: <u>623-547-4708</u>	<u>[Redacted]</u>

95-14-9011M 06-2009
 NA2



ACC000724
 FILE #8331

Bank of America

Chexsystems
02101ZYK1107

BANK OF AMERICA, N.A. (THE "BANK")

Limited Liability Company Signature Card^o

Account Number 9839 ☐ Temporary Signature Card

Account Type Business Economy Checking

Account Title ARIZONA GOLD PROCESSING LLC

Name of Company ARIZONA GOLD PROCESSING LLC

Tax Identification Number

For a Limited liability Company enter the tax classification (D = disregarded entity, C = corporation, or P = partnership) on this line. C

☐ Exempt payee

By signing below, the above named Association agrees that this account is and shall be governed by the terms and conditions set forth in the following documents, as amended from time to time: (1) the Deposit Agreement and Disclosures, (2) the Business Schedule of Fees, and (3) the Miscellaneous Fees for Business Accounts, and the Association further acknowledges the receipt of these documents.

Substitute Form W-9. Certification-Under penalties of perjury, I certify that: (1) The number shown on this form is the correct taxpayer identification number (or I am waiting for a number to be issued to me), and (2) I am not subject to backup withholding because: (A) I am exempt from backup withholding, or (B) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (C) The IRS has notified me that I am no longer subject to backup withholding, and (3) I am a U.S. citizen or other U.S. person (as defined in the instructions).

Certification Instructions
You must cross out item (2) above if you have been notified by the IRS that you are currently subject to backup withholding because of underreporting interest or dividends on your tax return. (See also IRS instructions for Form W-9).

The Internal Revenue Service does not require your consent to any provision of this document other than the certifications required to avoid backup withholding.

Name (typed or printed)	Signature	Date
1. <u>Robert T Hepler</u>	<u>[Signature]</u>	<u>2/10/12</u>
2. <u>/</u>	<u>/</u>	<u>/</u>
3. <u>/</u>	<u>/</u>	<u>/</u>
4. <u>/</u>	<u>/</u>	<u>/</u>
5. <u>/</u>	<u>/</u>	<u>/</u>

I, the undersigned, hereby certify (1) that I am a duly authorized member/manager of the Company named above, (2) that the above named person(s) are those persons currently empowered to act under the Company resolutions authorizing this account and the other banking services provided for therein, (3) that the specimen signatures set forth opposite the name of each person is true and genuine, and (4) the Substitute Form W-9 certifications.

This 10 day of February 2012, [Signature]
Member/Manager

ATM/Deposit/Check Card Request

Provided that the account referenced above is eligible to receive automated teller machine cards and/or Check Cards, I (as authorized by the resolutions which authorize this account) hereby request the issuance of such cards to any of the authorized signers on this account.

[Signature] Member/Manager [Signature] Member/Manager

Bank Information		Name: <u>Robert T Hepler</u>	
Date	<u>02/10/2012</u>	Address	<u>[Redacted]</u>
Banking Center Name	<u>DYSART / CAMELBACK</u>	SSN:	<u>[Redacted]</u>
Associate's Name	<u>MICHELLE DELGADO</u>	DOB	<u>[Redacted]</u>
Associate's Phone Number	<u>623-547-4708</u>	1 st ID Type	<u>02 DL</u>
		Iss:	<u>12-21-11</u>
		2 nd ID Type	<u>9-1-19</u>
		Iss:	<u>12-21-11</u>

95-14-9011M 06-2009
NAZ



ACC000725
FILE #8331

Bank of AmericaChexsystems
021012YK1107

BANK OF AMERICA, N.A. (THE "BANK")

Limited Liability Company Signature Card^o

Account Number 9839 ☐ Temporary Signature Card

Account Type Business Economy Checking

Account Title ARIZONA GOLD PROCESSING LLC

Name of Company ARIZONA GOLD PROCESSING LLC

Tax Identification Number

For a Limited Liability Company enter the tax classification (D = disregarded entity, C = corporation, or P = partnership) on this line. C

☐ Except payee

By signing below, the above named Association agrees that this account is and shall be governed by the terms and conditions set forth in the following documents, as amended from time to time: (1) the Deposit Agreement and Disclosures, (2) the Business Schedule of Fees, and (3) the Miscellaneous Fees for Business Accounts, and the Association further acknowledges the receipt of these documents.

Substitute Form W-9. Certification—Under penalties of perjury, I certify that: (1) The number shown on this form is the correct taxpayer identification number (or I am waiting for a number to be issued to me), and (2) I am not subject to backup withholding because (A) I am exempt from backup withholding, or (B) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (C) The IRS has notified me that I am no longer subject to backup withholding, and (3) I am a U.S. citizen or other U.S. person (as defined in the instructions).

Certification Instructions

You must cross out item (2) above if you have been notified by the IRS that you are currently subject to backup withholding because of underreporting interest or dividends on your tax return. (See also IRS instructions for Form W-9).

The Internal Revenue Service does not require your consent to any provision of this document other than the certifications required to avoid backup withholding.

Name (typed or printed)	Signature	Date
1. <u>Robert T Hepler</u>	<u>[Signature]</u>	<u>2/10/12</u>
2. <u>/</u>	<u>/</u>	<u>/</u>
3. <u>/</u>	<u>/</u>	<u>/</u>
4. <u>/</u>	<u>/</u>	<u>/</u>
5. <u>/</u>	<u>/</u>	<u>/</u>

I, the undersigned, hereby certify (1) that I am a duly authorized member/manager of the Company named above, (2) that the above named person(s) are those persons currently empowered to act under the Company resolutions authorizing this account and the other banking services provided for therein, (3) that the specimen signature set forth opposite the name of each person is true and genuine, and (4) the Substitute Form W-9 certifications.

This 10 day of February 2012, [Signature]
Member/Manager

ATM/Deposit/Check Card Request

Provided that the account referenced above is eligible to receive automated teller machine cards and/or Check Cards, I (as authorized by the resolutions which authorize this account) hereby request the issuance of such cards to any of the authorized signers on this account.

[Signature] Member/Manager

[Signature] Member/Manager

Bank Information		Name
Date	<u>02/10/2012</u>	<u>Robert T Hepler</u>
Banking Center Name	<u>DYSART / CAMELBACK</u>	Address <u>[Redacted]</u>
Associate's Name	<u>MICHELLE DELGADO</u>	SSN <u>[Redacted]</u>
Associate's Phone Number	<u>623-547-4708</u>	1 st ID Ty. <u>[Redacted]</u>
		SS <u>12-21-11</u> Exp <u>9-11-14</u>
		2 nd ID Ty. <u>[Redacted]</u>
		SS <u>12-21-11</u> Exp <u>9-11-14</u>

95-14-9011M 06-2009
NAZ



ACC000726
FILE #8331

Bank of America

Onexsystems
02101ZYK1107

BANK OF AMERICA, N.A. (THE "BANK")

Limited Liability Company Signature Card^o

Account Number 9839 ☐ Temporary Signature Card

Account Type Business Economy Checking

Account Title ARIZONA GOLD PROCESSING LLC

Name of Company ARIZONA GOLD PROCESSING LLC

Tax Identification Number

For a Limited Liability Company enter the tax classification (D = disregarded entity, C = corporation, or P = partnership) on this line. C

☐ Exempt payee

By signing below, the above named Association agrees that this account is and shall be governed by the terms and conditions set forth in the following documents, as amended from time to time: (1) the Deposit Agreement and Disclosures, (2) the Business Schedule of Fees, and (3) the Miscellaneous Fees for Business Accounts, and the Association further acknowledges the receipt of these documents.

Substitute Form W-9. Certification-Under penalties of perjury, I certify that: (1) The number shown on this form is the correct taxpayer identification number (or I am waiting for a number to be issued to me), and (2) I am not subject to backup withholding because: (A) I am exempt from backup withholding, or (B) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (C) The IRS has notified me that I am no longer subject to backup withholding, and (3) I am a U.S. citizen or other U.S. person (as defined in the instructions).

Certification Instructions

You must cross out item (2) above if you have been notified by the IRS that you are currently subject to backup withholding because of underreporting interest or dividends on your tax return. (See also IRS instructions for Form W-9).

The Internal Revenue Service does not require your consent to any provision of this document other than the certifications required to avoid backup withholding.

Name (typed or printed)	Signature	Date
1. <u>Robert T Hepler</u>	<u>[Signature]</u>	<u>2/10/12</u>
2. <u>/</u>	<u>/</u>	<u>/</u>
3. <u>/</u>	<u>/</u>	<u>/</u>
4. <u>/</u>	<u>/</u>	<u>/</u>
5. <u>/</u>	<u>/</u>	<u>/</u>

I, the undersigned, hereby certify (1) that I am a duly authorized member/manager of the Company named above, (2) that the above named person(s) are those persons currently empowered to act under the Company resolutions authorizing this account and the other banking services provided for therein, (3) that the specimen signature set forth opposite the name of each person is true and genuine, and (4) the Substitute Form W-9 certifications.

This 10 day of February 2012. [Signature]
Member/Manager

ATM/Deposit/Check Card Request

Provided that the account referenced above is eligible to receive automated teller machine cards and/or Check Cards, I (as authorized by the resolutions which authorize this account) hereby request the issuance of such cards to any of the authorized signers on this account.

[Signature] Member/Manager

Bank Information		Name: <u>ROBERT T HEPLER</u>	
Date	<u>02/10/2012</u>	Address	<u>[Redacted]</u>
Banking Center Name	<u>DYSART / CAMELBACK</u>	SSN:	<u>[Redacted]</u>
Associate's Name	<u>MICHELLE DELGADO</u>	DOB:	<u>[Redacted]</u>
Associate's Phone Number	<u>623-547-4708</u>	1 st ID T:	<u>[Redacted]</u>
		ISS:	<u>12-21-11</u>
		2 nd ID T:	<u>[Redacted]</u>
		ISS:	<u>12-21-11</u>

95-14-901HM 06-2009
NAZ



ACC000727
FILE #8331

Bank of America

updated

BANK OF AMERICA, N.A. (THE "BANK")

Limited Liability Company Signature Card

Account Number 9839☐ Temporary Signature CardAccount Type Business Economy CheckingAccount Title ARIZONA GOLD PROCESSING LLCName of Company ARIZONA GOLD PROCESSING LLCTax Identification Number 45-4005095For a Limited Liability Company enter the tax classification (D = disregarded entity, C = corporation, or P = partnership) on this line. C☐ Receipt payee

By signing below, the above named Association agrees that this account is and shall be governed by the terms and conditions set forth in the following documents, as amended from time to time: (1) the Deposit Agreement and Disclosures, (2) the Business Schedule of Fees, and (3) the Miscellaneous Fees for Business Accounts, and the Association further acknowledges the receipt of these documents.

Substitute Form W-9. Certification-Under penalties of perjury, I certify that: (1) The number shown on this form is the correct taxpayer identification number (or I am waiting for a number to be issued to me), and (2) I am not subject to backup withholding because: (A) I am exempt from backup withholding or (B) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (C) The IRS has notified me that I am no longer subject to backup withholding, and (3) I am a U.S. citizen or other U.S. person (as defined in the instructions).

Certification Instructions

You must cross out item (2) above if you have been notified by the IRS that you are currently subject to backup withholding because of underreporting interest or dividends on your tax return. (See also IRS instructions for Form W-9).

The Internal Revenue Service does not require your consent to any provision of this document other than the certifications required to avoid backup withholding.

Name (typed or printed)

1. Robert T. Hepler

Signature

Date

2. Charles L. Robertson3. Darin Mangum4. Brian Hafford5. /

I, the undersigned, hereby certify (1) that I am a duly authorized member/manager of the Company named above, (2) that the above named person(s) are those persons currently empowered to act under the Company resolutions authorizing this account and the other banking services provided for therein, (3) that the specimen signatures set forth opposite the name of each person is true and genuine, and (4) the Substitute Form W-9 certifications.

This 10 day of February 2012

Member/Manager

ATM/Deposit/Check Card Request

Provided that the account referenced above is eligible to receive automated teller machine cards and/or Check Cards, I (as authorized by the resolutions which authorize this account) hereby request the issuance of such cards to any of the authorized signers on this account.

Member/Manager

Member/Manager

Bank Information

Date 02/10/2012Banking Center Name DYSART / CAMELBACKAssociate's Name MICHELLE DELGADOAssociate's Phone Number 623-347-4706

95-14-9011M 86-2009

NAZ



ACC000728
FILE #8331

EXHIBIT “H”

CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM

FOR ACCREDITED AND SOPHISTICATED INVESTORS ONLY

ARIZONA GOLD PROCESSING LLC

Units of Class A Preferred Membership Interest

\$16,750 per Unit

Maximum Offering: \$1,675,000 (100 Units)

(expandable to \$2,010,000 or 120 Units)

Minimum Offering: None

Minimum Subscription: 2 Units (\$33,500)

ARIZONA GOLD PROCESSING LLC ("we", "us", "our", or the "Company"), is an Arizona limited liability company (LLC) formed to provide efficient and cost effective ore processing services for local gold and silver placer mines. We intend to acquire equipment and machinery that utilize the latest advances in gold and silver ore processing technologies such as electrostatic separation. The primary objectives of the Company are to: (i) acquire one or more high tension separators; (ii) place such equipment into operation servicing local active mining operations for gold, silver, and/or other precious metals pursuant to contracts; and (iii) distribute the Company's revenue from such activities to the Members in accordance with the Operating Agreement. There can be no assurance these objectives will be achieved. The Company maintains its principal place of business at 2575 E. Camelback, Suite 450, Phoenix, Arizona 85016 USA (Telephone: (602) 343-7500).

The Company is offering Units of Class A Preferred Membership Interest (the "Units") in accordance with Section 4(2) and/or Rule 506 of Regulation D promulgated under the Securities Act of 1933, as amended, and applicable state laws that provide an exemption from registration for limited private offerings. This Offering is not available in states or jurisdictions that do not recognize such an exemption. This is not a public offering. The Units are not available to the general public. This document is our confidential private placement memorandum (this "Memorandum") which explains the risks associated with the Units. Offers and sales of Units will be made only to "Accredited Investors" or to such persons who have sufficient knowledge and experience in financial, business and/or mining concerns who are capable of evaluating the merits and risks of the Units and who otherwise meet the qualifications set forth herein (See "Who May Invest"). If you do not meet these qualifications, please immediately return this Memorandum to the address on the cover.

THIS INVESTMENT INVOLVES A HIGH DEGREE OF RISK DESCRIBED IN THE "RISK FACTORS" SECTION OF THIS MEMORANDUM. YOU SHOULD INVEST ONLY IF YOU CAN AFFORD A TOTAL LOSS OF YOUR CAPITAL CONTRIBUTION.

NEITHER THE U.S. SECURITIES COMMISSION (THE "COMMISSION") NOR ANY STATE SECURITIES AUTHORITY HAS APPROVED OR DISAPPROVED OF THIS OFFERING OR DETERMINED IF THIS MEMORANDUM IS TRUTHFUL OR COMPLETE. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

FOR MORE INFORMATION, PLEASE CONTACT:

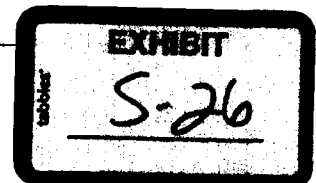
The date of this Memorandum is:

December 5, 2011

Arizona Gold Processing LLC
2575 E. Camelback, Suite 450
Phoenix, Arizona 85016
Telephone: (602) 343-7500
E-mail: info@arizonagoldprocessing.com

Memorandum Copy No.

This cover page is continued on the following pages.



ACC000042
FILE #8331

ARIZONA GOLD PROCESSING LLC
CLASS A PREFERRED UNITS
CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM

THE COMMISSION DOES NOT PASS UPON THE MERITS OF OR GIVE ITS APPROVAL TO ANY SECURITIES OFFERED OR THE TERMS OF THE OFFERING, NOR DOES IT PASS UPON THE ACCURACY OR COMPLETENESS OF ANY OFFERING MEMORANDUM OR OFFERING CIRCULAR OR OTHER SELLING LITERATURE. THESE SECURITIES ARE OFFERED PURSUANT TO AN EXEMPTION FROM REGISTRATION WITH THE COMMISSION; HOWEVER, THE COMMISSION HAS NOT MADE AN INDEPENDENT DETERMINATION THAT THE SECURITIES OFFERED HEREUNDER ARE EXEMPT FROM REGISTRATION.

IN MAKING AN INVESTMENT DECISION INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE ISSUER AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THESE SECURITIES HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS DOCUMENT.

THESE SECURITIES HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AND ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY NOT BE TRANSFERRED OR RESOLD EXCEPT AS PERMITTED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AND APPLICABLE STATE SECURITIES LAWS, PURSUANT TO REGISTRATION OR EXEMPTION THEREFROM. INVESTORS SHOULD BE AWARE THAT THEY WILL BE REQUIRED TO BEAR THE FINANCIAL RISKS OF THIS INVESTMENT FOR AT LEAST TWENTY FOUR (24) MONTHS OR PERHAPS FOR AN INDEFINITE PERIOD OF TIME.

	Price to Investors	Selling Commissions and Discounts (1)	Proceeds to Company (2)
Per Unit	\$16,750	\$0	\$16,750
Minimum Subscription	\$33,500	\$0	\$33,500
Minimum Offering (3)	N/A	N/A	N/A
Maximum Offering (4)	\$1,675,000	\$0	\$1,675,000

FOOTNOTES:

(1) The Units will be placed by the Company's management and/or officers or directors of the Company's Managing Member who will not receive remuneration in connection with such activities. However, the Company may utilize the services of third-party placement agents, FINRA broker-dealers, investment bankers, finders, and/or others who may charge a fee in connection with the placement of Units (See "Estimated Use of Proceeds").

(2) Net proceeds are calculated before deducting certain compensation to the Company's Managers, Managing Member and/or their affiliates in connection with their management of Company affairs (See "Estimated Use of Proceeds" and "Compensation").

(3) No minimum escrow threshold needs to be met prior to utilization of proceeds by the Company. Proceeds will be immediately available to implement the Company's objectives.

(4) The Offering may be expanded up to 120 Units (\$2,010,000 (the "Expanded Maximum")) in the Managing Member's sole discretion. Such action may have a dilutive effect on your interest in the Company's underlying assets, revenue, etc.

This offering (the "Offering") is being made by the issuer (the "Company") through its management. The Company reserves the right to cancel or modify the Offering, to reject subscriptions for Units in whole or in part for any or no reason, to waive conditions to the purchase of Units, and to accept a limited number of investors.

No Person has been authorized to give any information or to make any representations in connection with the offer made by this Memorandum unless preceded or accompanied by this Memorandum, nor has any Person been authorized to give any

ARIZONA GOLD PROCESSING LLC
CLASS A PREFERRED UNITS
CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM

information or to make any representations other than that contained in this Memorandum and, if given or made, such information or representations must not be relied upon. This Memorandum does not constitute an offer or solicitation in any jurisdiction to any Person to whom it is unlawful to make such offer or solicitation in such jurisdiction. Neither the delivery of this Memorandum nor any sale made hereunder shall, under any circumstances, create an implication that there has been no change in the affairs of the Company since the date hereof.

STATE NOTICES

THE PRESENCE OF A LEGEND FOR ANY GIVEN JURISDICTION REFLECTS ONLY THAT A LEGEND MAY BE REQUIRED BY THAT JURISDICTION AND SHOULD NEITHER BE CONSTRUED TO MEAN AN OFFER OR SALE MAY BE MADE IN ANY PARTICULAR JURISDICTION NOR THAT THE COMPANY IS SUBJECT TO THE SECURITIES LAWS OF ANY JURISDICTION.

FOR ALABAMA RESIDENTS: THESE UNITS ARE OFFERED PURSUANT TO A CLAIM OF EXEMPTION UNDER THE ALABAMA SECURITIES ACT. A REGISTRATION STATEMENT RELATING TO THESE UNITS HAS NOT BEEN FILED WITH THE ALABAMA SECURITIES COMMISSION. THE COMMISSION DOES NOT RECOMMEND OR ENDORSE THE PURCHASE OF ANY UNITS, NOR DOES IT PASS UPON THE ACCURACY OR COMPLETENESS OF THIS MEMORANDUM ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE. THE PURCHASE PRICE OF THE INTEREST ACQUIRED BY A NON-ACCREDITED INVESTOR RESIDING IN THE STATE OF ALABAMA MAY NOT EXCEED 20% OF THE PURCHASER'S NET WORTH.

FOR ALASKA RESIDENTS: THE UNITS OFFERED HAVE NOT BEEN REGISTERED WITH THE ADMINISTRATOR OF SECURITIES OF THE STATE OF ALASKA UNDER PROVISIONS OF 3 AAC 08.500-3 AAC 08.506. THE INVESTOR IS ADVISED THAT THE ADMINISTRATOR HAS MADE ONLY A CURSORY REVIEW OF THE REGISTRATION STATEMENT AND HAS NOT REVIEWED THIS DOCUMENT SINCE THE DOCUMENT IS NOT REQUIRED TO BE FILED WITH THE ADMINISTRATOR. THE FACT OF REGISTRATION DOES NOT MEAN THAT THE ADMINISTRATOR HAS PASSED IN ANY WAY UPON THE MERITS, RECOMMENDED, OR APPROVED THE UNITS. ANY REPRESENTATION TO THE CONTRARY IS A VIOLATION OF A.S. 45.55.170. THE INVESTOR MUST RELY ON THE INVESTOR'S OWN EXAMINATION OF THE PERSON OR ENTITY CREATING THE UNITS AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED, IN MAKING AN INVESTMENT DECISION ON THESE UNITS.

FOR ARIZONA RESIDENTS: THE UNITS OFFERED HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF ARIZONA, AS AMENDED, AND ARE OFFERED IN RELIANCE UPON AN EXEMPTION FROM REGISTRATION PURSUANT TO A.R.S. SECTION 44-1844(1). THE UNITS CANNOT BE RESOLD UNLESS REGISTERED UNDER THE ACT OR PURSUANT TO AN EXEMPTION FROM REGISTRATION.

FOR ARKANSAS RESIDENTS: THESE UNITS ARE OFFERED PURSUANT TO A CLAIM OF EXEMPTION UNDER SECTION 14(b)(14) OF THE ARKANSAS SECURITIES ACT AND SECTIONS 4(2) AND 4(6) OF THE SECURITIES ACT OF 1933. A REGISTRATION STATEMENT RELATING TO THESE UNITS HAS NOT BEEN FILED WITH THE ARKANSAS SECURITIES DEPARTMENT OR WITH THE COMMISSION. NEITHER THE DEPARTMENT NOR THE COMMISSION HAS PASSED UPON THE VALUE OF THESE UNITS, MADE ANY RECOMMENDATIONS AS TO THEIR PURCHASE, APPROVED OR DISAPPROVED THE OFFERING, OR PASSED UPON THE ADEQUACY OR ACCURACY OF THIS MEMORANDUM. ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL. THE PURCHASE PRICE OF THE INTEREST ACQUIRED BY AN UNACCREDITED INVESTOR RESIDING IN THE STATE OF ARKANSAS MAY NOT EXCEED 20% OF THE PURCHASER'S NET WORTH.

FOR CALIFORNIA RESIDENTS: THESE UNITS HAVE NOT BEEN REGISTERED OR QUALIFIED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR THE CALIFORNIA CORPORATE SECURITIES ACT, BY REASON OF SPECIFIC EXEMPTIONS THEREUNDER RELATING TO THE LIMITED AVAILABILITY OF THE OFFERING. THESE UNITS CANNOT BE SOLD, TRANSFERRED, OR OTHERWISE DISPOSED OF TO ANY PERSON OR ENTITY UNLESS THEY ARE SUBSEQUENTLY REGISTERED OR AN EXEMPTION FROM REGISTRATION IS

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AVAILABLE.

FOR COLORADO RESIDENTS: THESE UNITS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR THE COLORADO SECURITIES ACT, BY REASON OF SPECIFIC EXEMPTIONS THEREUNDER RELATING TO THE LIMITED AVAILABILITY OF THE OFFERING. THESE UNITS CANNOT BE SOLD, TRANSFERRED, OR OTHERWISE DISPOSED OF TO ANY PERSON OR ENTITY UNLESS THEY ARE SUBSEQUENTLY REGISTERED OR AN EXEMPTION FROM REGISTRATION IS AVAILABLE.

FOR CONNECTICUT RESIDENTS: THESE UNITS HAVE NOT BEEN REGISTERED UNDER SECTION 36-485 OF THE CONNECTICUT UNIFORM SECURITIES ACT AND THEREFORE CANNOT BE RESOLD UNLESS THEY ARE REGISTERED UNDER SUCH ACT OR UNLESS AN EXEMPTION FROM REGISTRATION IS AVAILABLE.

FOR DELAWARE RESIDENTS: THESE UNITS HAVE NOT BEEN REGISTERED UNDER THE DELAWARE SECURITIES ACT AND ARE OFFERED PURSUANT TO A CLAIM OF EXEMPTION UNDER SECTION 7309(b)(9) OF THE DELAWARE SECURITIES ACT AND RULE 9(b)(9)(II) THEREUNDER. THESE UNITS CANNOT BE SOLD, TRANSFERRED, OR OTHERWISE DISPOSED OF TO ANY PERSON OR ENTITY UNLESS THEY ARE SUBSEQUENTLY REGISTERED UNDER THE ACT OR AN EXEMPTION FROM REGISTRATION IS AVAILABLE.

FOR DISTRICT OF COLUMBIA RESIDENTS: THESE UNITS HAVE NOT BEEN REGISTERED UNDER THE DISTRICT OF COLUMBIA SECURITIES ACT SINCE SUCH ACT DOES NOT REQUIRE REGISTRATION OF SECURITIES ISSUES. THESE UNITS CANNOT BE SOLD, TRANSFERRED, OR OTHERWISE DISPOSED OF TO ANY PERSON OR ENTITY UNLESS THEY ARE SUBSEQUENTLY REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR AN EXEMPTION FROM REGISTRATION IS AVAILABLE.

FOR FLORIDA RESIDENTS: THESE UNITS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR THE FLORIDA SECURITIES ACT, BY REASON OF SPECIFIC EXEMPTIONS THEREUNDER RELATING TO THE LIMITED AVAILABILITY OF THE OFFERING. THESE UNITS CANNOT BE SOLD, TRANSFERRED, OR OTHERWISE DISPOSED OF TO ANY PERSON OR ENTITY UNLESS THEY ARE SUBSEQUENTLY REGISTERED OR AN EXEMPTION FROM REGISTRATION IS AVAILABLE. THE UNITS REFERRED TO HEREIN WILL BE SOLD TO, AND ACQUIRED BY, THE HOLDER IN A TRANSACTION EXEMPT UNDER SECTION 517.061 OF THE FLORIDA SECURITIES ACT. THE UNITS HAVE NOT BEEN REGISTERED UNDER SAID ACT IN THE STATE OF FLORIDA. IN ADDITION, ALL FLORIDA RESIDENTS SHALL HAVE THE PRIVILEGE OF VOIDING THE PURCHASE WITHIN THREE (3) DAYS AFTER THE FIRST TENDER OF CONSIDERATION IS MADE BY SUCH PURCHASER TO THE ISSUER, AN AGENT OF THE ISSUER, OR AN ESCROW AGENT OR WITHIN 3 DAYS AFTER THE AVAILABILITY OF THAT PRIVILEGE IS COMMUNICATED TO SUCH PURCHASER, WHICHEVER OCCURS LATER.

FOR GEORGIA RESIDENTS: THESE UNITS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR SECTION 10-5-5 OF THE GEORGIA SECURITIES ACT OF 1973 AND ARE BEING SOLD IN RELIANCE UPON EXEMPTIONS THEREFROM. THESE UNITS CANNOT BE SOLD, TRANSFERRED, OR OTHERWISE DISPOSED OF TO ANY PERSON OR ENTITY UNLESS THEY ARE SUBSEQUENTLY REGISTERED OR AN EXEMPTION FROM REGISTRATION IS AVAILABLE. THE INVESTMENT IS SUITABLE IF IT DOES NOT EXCEED 20% OF THE INVESTOR'S NET WORTH.

FOR HAWAII RESIDENTS: THESE UNITS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR THE HAWAII UNIFORM SECURITIES ACT (MODIFIED), BY REASON OF SPECIFIC EXEMPTIONS THEREUNDER RELATING TO THE LIMITED AVAILABILITY OF THE OFFERING. THESE UNITS CANNOT BE SOLD, TRANSFERRED, OR OTHERWISE DISPOSED OF TO ANY PERSON OR ENTITY UNLESS THEY ARE SUBSEQUENTLY REGISTERED OR AN EXEMPTION FROM REGISTRATION IS AVAILABLE.

FOR IDAHO RESIDENTS: THESE UNITS HAVE NOT BEEN REGISTERED UNDER THE IDAHO SECURITIES ACT (THE "ACT") AND MAY BE TRANSFERRED OR RESOLD BY RESIDENTS OF IDAHO ONLY IF REGISTERED PURSUANT TO THE PROVISIONS OF THE ACT OR IF AN EXEMPTION FROM REGISTRATION IS AVAILABLE. THE INVESTMENT IS SUITABLE IF IT DOES NOT EXCEED 10% OF THE INVESTOR'S NET

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WORTH.

FOR ILLINOIS RESIDENTS: THESE UNITS HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECRETARY OF STATE OF ILLINOIS OR THE STATE OF ILLINOIS, NOR HAS THE SECRETARY OF STATE OF ILLINOIS OR THE STATE OF ILLINOIS PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

FOR INDIANA RESIDENTS: THESE UNITS HAVE NOT BEEN REGISTERED UNDER SECTION 3 OF THE INDIANA BLUE SKY LAW AND ARE OFFERED PURSUANT TO AN EXEMPTION PURSUANT TO SECTION 23-2-1-2(b)(10) THEREOF AND MAY BE TRANSFERRED OR RESOLD ONLY IF SUBSEQUENTLY REGISTERED OR IF AN EXEMPTION FROM REGISTRATION IS AVAILABLE. INVESTORS SHOULD BE AWARE THAT THEY WILL BE REQUIRED TO BEAR THE FINANCIAL RISKS OF THIS INVESTMENT FOR AN INDEFINITE PERIOD OF TIME. INDIANA REQUIRES INVESTOR SUITABILITY STANDARDS OF A NET WORTH (EXCLUSIVE OF HOME, FURNISHINGS, AND AUTOMOBILES) OF THREE TIMES THE INVESTMENT BUT NOT LESS THAN USD\$75,000 OR A NET WORTH (EXCLUSIVE OF HOME, FURNISHINGS, AND AUTOMOBILES) OF TWICE THE INVESTMENT BUT NOT LESS THAN USD\$30,000 AND GROSS INCOME OF USD\$30,000.

FOR IOWA RESIDENTS: THESE UNITS HAVE NOT BEEN REGISTERED UNDER THE IOWA UNIFORM SECURITIES ACT (THE "ACT") AND ARE OFFERED PURSUANT TO A CLAIM OF EXEMPTION UNDER SECTION 502.203(9) OF THE ACT. THESE UNITS CANNOT BE SOLD, TRANSFERRED, OR OTHERWISE DISPOSED OF TO ANY PERSON OR ENTITY UNLESS THEY ARE SUBSEQUENTLY REGISTERED OR AN EXEMPTION FROM REGISTRATION IS AVAILABLE. INVESTORS SHOULD BE AWARE THAT THEY WILL BE REQUIRED TO BEAR THE FINANCIAL RISKS OF THIS INVESTMENT FOR AN INDEFINITE PERIOD OF TIME.

FOR KANSAS RESIDENTS: THESE UNITS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR THE KANSAS SECURITIES ACT, BY REASON OF SPECIFIC EXEMPTIONS THEREUNDER RELATING TO THE LIMITED AVAILABILITY OF THE OFFERING. THESE UNITS CANNOT BE SOLD, TRANSFERRED, OR OTHERWISE DISPOSED OF TO ANY PERSON OR ENTITY UNLESS THEY ARE SUBSEQUENTLY REGISTERED OR AN EXEMPTION FROM REGISTRATION IS AVAILABLE.

FOR KENTUCKY RESIDENTS: THESE UNITS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR THE SECURITIES ACT OF KENTUCKY, BY REASON OF SPECIFIC EXEMPTIONS THEREUNDER RELATING TO THE LIMITED AVAILABILITY OF THE OFFERING. THESE UNITS CANNOT BE SOLD, TRANSFERRED, OR OTHERWISE DISPOSED OF TO ANY PERSON OR ENTITY UNLESS THEY ARE SUBSEQUENTLY REGISTERED OR AN EXEMPTION FROM REGISTRATION IS AVAILABLE.

FOR LOUISIANA RESIDENTS: THESE UNITS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR THE LOUISIANA SECURITIES LAW, BY REASON OF SPECIFIC EXEMPTIONS THEREUNDER RELATING TO THE LIMITED AVAILABILITY OF THE OFFERING. THESE UNITS CANNOT BE SOLD, TRANSFERRED, OR OTHERWISE DISPOSED OF TO ANY PERSON OR ENTITY UNLESS THEY ARE SUBSEQUENTLY REGISTERED OR AN EXEMPTION FROM REGISTRATION IS AVAILABLE. THE INVESTMENT IS SUITABLE IF IT DOES NOT EXCEED 25% OF THE INVESTOR'S NET WORTH.

FOR MAINE RESIDENTS: THESE UNITS ARE BEING SOLD PURSUANT TO AN EXEMPTION FROM REGISTRATION WITH THE BANK SUPERINTENDENT OF THE STATE OF MAINE UNDER SECTION 10502(2)(R) OF TITLE 32 OF THE MAINE REVISED STATUTES. THESE UNITS MAY BE DEEMED RESTRICTED SECURITIES AND AS SUCH THE HOLDER MAY NOT BE ABLE TO RESELL THE UNITS UNLESS PURSUANT TO REGISTRATION UNDER STATE OR FEDERAL SECURITIES LAWS OR UNLESS AN EXEMPTION UNDER SUCH LAWS EXISTS.

FOR MARYLAND RESIDENTS: THESE UNITS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR THE MARYLAND SECURITIES ACT, BY REASON OF SPECIFIC EXEMPTIONS THEREUNDER RELATING TO THE LIMITED AVAILABILITY OF THE OFFERING. THESE UNITS CANNOT BE SOLD TRANSFERRED, OR OTHERWISE DISPOSED OF TO ANY PERSON OR ENTITY UNLESS THEY ARE

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SUBSEQUENTLY REGISTERED OR AN EXEMPTION FROM REGISTRATION IS AVAILABLE.

FOR MASSACHUSETTS RESIDENTS: THESE UNITS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR THE MASSACHUSETTS UNIFORM SECURITIES ACT, BY REASON OF SPECIFIC EXEMPTIONS THEREUNDER RELATING TO THE LIMITED AVAILABILITY OF THE OFFERING. THESE UNITS CANNOT BE SOLD, TRANSFERRED, OR OTHERWISE DISPOSED OF TO ANY PERSON OR ENTITY UNLESS THEY ARE SUBSEQUENTLY REGISTERED OR AN EXEMPTION FROM REGISTRATION IS AVAILABLE.

FOR MICHIGAN RESIDENTS: THESE UNITS HAVE NOT BEEN REGISTERED UNDER SECTION 451.701 OF THE MICHIGAN UNIFORM SECURITIES ACT (THE "ACT") AND MAY BE TRANSFERRED OR RESOLD BY RESIDENTS OF MICHIGAN ONLY IF REGISTERED PURSUANT TO THE PROVISIONS OF THE ACT OR IF AN EXEMPTION FROM REGISTRATION IS AVAILABLE. THE INVESTMENT IS SUITABLE IF IT DOES NOT EXCEED 10% OF THE INVESTOR'S NET WORTH.

FOR MINNESOTA RESIDENTS: THE UNITS REPRESENTED BY THIS MEMORANDUM HAVE NOT BEEN REGISTERED UNDER CHAPTER 80A OF THE MINNESOTA SECURITIES LAWS AND MAY NOT BE SOLD, TRANSFERRED, OR OTHERWISE DISPOSED OF EXCEPT PURSUANT TO REGISTRATION, OR AN EXEMPTION THEREFROM.

FOR MISSISSIPPI RESIDENTS: THESE UNITS ARE OFFERED PURSUANT TO A CERTIFICATE OF REGISTRATION ISSUED BY THE SECRETARY OF STATE OF MISSISSIPPI PURSUANT TO RULE 477, WHICH PROVIDES A LIMITED REGISTRATION PROCEDURE FOR CERTAIN OFFERINGS. THE SECRETARY OF STATE DOES NOT RECOMMEND OR ENDORSE THE PURCHASE OF ANY SECURITIES, NOR DOES THE SECRETARY OF STATE PASS UPON THE TRUTH, MERITS OR COMPLETENESS OF ANY OFFERING MEMORANDUM FILED WITH THE SECRETARY OF STATE. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

FOR MISSOURI RESIDENTS: THESE UNITS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR THE MISSOURI UNIFORM SECURITIES ACT, BY REASON OF SPECIFIC EXEMPTIONS THEREUNDER RELATING TO THE LIMITED AVAILABILITY OF THE OFFERING. THESE UNITS CANNOT BE SOLD, TRANSFERRED, OR OTHERWISE DISPOSED OF TO ANY PERSON OR ENTITY UNLESS THEY ARE SUBSEQUENTLY REGISTERED OR AN EXEMPTION FROM REGISTRATION IS AVAILABLE.

FOR MONTANA RESIDENTS: THESE UNITS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR THE SECURITIES ACT OF MONTANA, BY REASON OF SPECIFIC EXEMPTIONS THEREUNDER RELATING TO THE LIMITED AVAILABILITY OF THE OFFERING. THESE UNITS CANNOT BE SOLD, TRANSFERRED, OR OTHERWISE DISPOSED OF TO ANY PERSON OR ENTITY UNLESS THEY ARE SUBSEQUENTLY REGISTERED OR AN EXEMPTION FROM REGISTRATION IS AVAILABLE.

FOR NEBRASKA RESIDENTS: THESE UNITS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR THE SECURITIES ACT OF NEBRASKA, BY REASON OF SPECIFIC EXEMPTIONS THEREUNDER RELATING TO THE LIMITED AVAILABILITY OF THE OFFERING. THESE UNITS CANNOT BE SOLD, TRANSFERRED, OR OTHERWISE DISPOSED OF TO ANY PERSON OR ENTITY UNLESS THEY ARE SUBSEQUENTLY REGISTERED OR AN EXEMPTION FROM REGISTRATION IS AVAILABLE.

FOR NEVADA RESIDENTS: THESE UNITS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR THE NEVADA SECURITIES ACT, BY REASON OF SPECIFIC EXEMPTIONS THEREUNDER RELATING TO THE LIMITED AVAILABILITY OF THE OFFERING. THESE UNITS CANNOT BE SOLD, TRANSFERRED, OR OTHERWISE DISPOSED OF TO ANY PERSON OR ENTITY UNLESS THEY ARE SUBSEQUENTLY REGISTERED OR AN EXEMPTION FROM REGISTRATION IS AVAILABLE.

FOR NEW HAMPSHIRE RESIDENTS: THESE UNITS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR THE NEW HAMPSHIRE UNIFORM SECURITIES ACT, BY REASON OF SPECIFIC EXEMPTIONS THEREUNDER RELATING TO THE LIMITED AVAILABILITY OF THE OFFERING. THESE UNITS CANNOT BE SOLD, TRANSFERRED, OR OTHERWISE DISPOSED OF TO ANY PERSON OR

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ENTITY UNLESS THEY ARE SUBSEQUENTLY REGISTERED OR AN EXEMPTION FROM REGISTRATION IS AVAILABLE. THE INVESTMENT IS SUITABLE IF IT DOES NOT EXCEED 10% OF THE INVESTOR'S NET WORTH

FOR NEW JERSEY RESIDENTS: THE ATTORNEY GENERAL OF THE STATE OF NEW JERSEY HAS NOT PASSED ON OR ENDORSED THE MERITS OF THIS OFFERING. THE FILING OF THE WITHIN OFFERING WITH THE BUREAU OF SECURITIES DOES NOT CONSTITUTE APPROVAL OF THE ISSUE OR THE SALE THEREOF BY THE BUREAU OF SECURITIES OR THE DEPARTMENT OF LAW AND PUBLIC SAFETY OF THE STATE OF NEW JERSEY. ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL.

FOR NEW MEXICO RESIDENTS: THESE UNITS HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES BUREAU OF THE NEW MEXICO DEPARTMENT OF REGULATION AND LICENSING, NOR HAS THE SECURITIES BUREAU PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

FOR NEW YORK RESIDENTS: THESE UNITS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR THE NEW YORK FRAUDULENT PRACTICES ("MARTIN") ACT, BY REASON OF SPECIFIC EXEMPTIONS THEREUNDER RELATING TO THE LIMITED AVAILABILITY OF THE OFFERING. THESE UNITS CANNOT BE SOLD, TRANSFERRED, OR OTHERWISE DISPOSED OF TO ANY PERSON OR ENTITY UNLESS SUBSEQUENTLY REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR THE NEW YORK FRAUDULENT PRACTICES ("MARTIN") ACT, IF SUCH REGISTRATION IS REQUIRED. THIS PRIVATE OFFERING MEMORANDUM HAS NOT BEEN FILED WITH OR REVIEWED BY THE ATTORNEY GENERAL PRIOR TO ITS ISSUANCE AND USE. THE ATTORNEY GENERAL OF THE STATE OF NEW YORK HAS NOT PASSED ON OR ENDORSED THE MERITS OF THIS OFFERING. ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL. PURCHASE OF THESE UNITS INVOLVES A HIGH DEGREE OF RISK. THIS PRIVATE OFFERING MEMORANDUM DOES NOT CONTAIN AN UNTRUE STATEMENT OF A MATERIAL FACT OR OMIT TO STATE A MATERIAL FACT NECESSARY TO MAKE THE STATEMENTS MADE, IN THE LIGHT OF THE CIRCUMSTANCES UNDER WHICH THEY WERE MADE, NOT MISLEADING. IT CONTAINS A FAIR SUMMARY OF THE MATERIAL TERMS OF DOCUMENTS PURPORTED TO BE SUMMARIZED HEREIN.

FOR NORTH CAROLINA RESIDENTS: THESE UNITS ARE OFFERED PURSUANT TO A CLAIM OF EXEMPTION UNDER THE NORTH CAROLINA SECURITIES ACT. THE NORTH CAROLINA SECURITIES ADMINISTRATOR NEITHER RECOMMENDS NOR ENDORSES THE PURCHASE OF ANY SECURITY, NOR HAS THE ADMINISTRATOR PASSED UPON THE ACCURACY OR ADEQUACY OF THE INFORMATION PROVIDED HEREIN. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE. THE INVESTMENT IS SUITABLE IF IT DOES NOT EXCEED 10% OF THE INVESTOR'S NET WORTH.

FOR NORTH DAKOTA RESIDENTS: THESE UNITS HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES COMMISSIONER OF THE STATE OF NORTH DAKOTA, NOR HAS THE COMMISSIONER PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

FOR OHIO RESIDENTS: THESE UNITS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR THE OHIO SECURITIES ACT, BY REASON OF SPECIFIC EXEMPTIONS THEREUNDER RELATING TO THE LIMITED AVAILABILITY OF THE OFFERING. THESE UNITS CANNOT BE SOLD, TRANSFERRED, OR OTHERWISE DISPOSED OF TO ANY PERSON OR ENTITY UNLESS THEY ARE SUBSEQUENTLY REGISTERED OR AN EXEMPTION FROM REGISTRATION IS AVAILABLE.

FOR OKLAHOMA RESIDENTS: THE UNITS REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR THE OKLAHOMA SECURITIES ACT. THE UNITS HAVE BEEN ACQUIRED FOR INVESTMENT AND MAY NOT BE SOLD OR TRANSFERRED FOR VALUE IN THE ABSENCE OF AN EFFECTIVE REGISTRATION OF THEM UNDER THE SECURITIES ACT OF 1933, AS AMENDED AND/OR THE OKLAHOMA SECURITIES ACT, OR AN OPINION OF COUNSEL SATISFACTORY TO THE ISSUER THAT SUCH REGISTRATION IS NOT REQUIRED UNDER SUCH ACT OR ACTS.

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FOR OREGON RESIDENTS: THE UNITS OFFERED HAVE BEEN REGISTERED WITH THE CORPORATION COMMISSIONER OF THE STATE OF OREGON UNDER PROVISIONS OF O.A.R. 815 DIVISION 36. THE INVESTOR IS ADVISED THAT THE COMMISSIONER HAS MADE ONLY A CURSORY REVIEW OF THE REGISTRATION STATEMENT AND HAS NOT REVIEWED THIS DOCUMENT SINCE THE DOCUMENT IS NOT REQUIRED TO BE FILED WITH THE COMMISSIONER. THE INVESTOR MUST RELY ON THE INVESTOR'S OWN EXAMINATION OF THE COMPANY CREATING THE UNITS AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED IN MAKING AN INVESTMENT DECISION ON THESE UNITS.

FOR PENNSYLVANIA RESIDENTS: THE UNITS OFFERED HEREBY HAVE NOT BEEN REGISTERED UNDER SECTION 201 OF THE PENNSYLVANIA SECURITIES ACT OF 1972 (THE "ACT") AND MAY BE RESOLD BY RESIDENTS OF PENNSYLVANIA ONLY IF REGISTERED PURSUANT TO THE PROVISIONS OF THAT ACT OR IF AN EXEMPTION FROM REGISTRATION IS AVAILABLE. EACH PERSON WHO ACCEPTS AN OFFER TO PURCHASE SECURITIES EXEMPTED FROM REGISTRATION BY SECTION 203(d), (f), (p), or (r), DIRECTLY FROM AN ISSUER OR AFFILIATE OF AN ISSUER, SHALL HAVE THE RIGHT TO WITHDRAW HIS ACCEPTANCE WITHOUT INCURRING ANY LIABILITY TO THE SELLER, UNDERWRITER (IF ANY), OR ANY OTHER PERSON WITHIN TWO BUSINESS DAYS FROM THE DATE OF RECEIPT BY THE ISSUER OF HIS WRITTEN BINDING CONTRACT OF PURCHASE OR, IN THE CASE OF A TRANSACTION IN WHICH THERE IS NO WRITTEN BINDING CONTRACT OF PURCHASE, WITHIN TWO BUSINESS DAYS AFTER HE MAKES THE INITIAL PAYMENT FOR THE SECURITIES BEING OFFERED. NEITHER THE PENNSYLVANIA SECURITIES COMMISSION NOR ANY OTHER AGENCY HAS PASSED ON OR ENDORSED THE MERITS OF THIS OFFERING, AND ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL. PENNSYLVANIA SUBSCRIBERS MAY NOT SELL THEIR UNITS INTERESTS FOR ONE YEAR FROM THE DATE OF PURCHASE IF SUCH A SALE WOULD VIOLATE SECTION 203(d) OF THE PENNSYLVANIA SECURITIES ACT.

FOR RHODE ISLAND RESIDENTS: THESE UNITS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR THE BLUE SKY LAW OF RHODE ISLAND, BY REASON OF SPECIFIC EXEMPTIONS THEREUNDER RELATING TO THE LIMITED AVAILABILITY OF THE OFFERING. THESE UNITS CANNOT BE SOLD, TRANSFERRED, OR OTHERWISE DISPOSED OF TO ANY PERSON OR ENTITY UNLESS THEY ARE SUBSEQUENTLY REGISTERED OR AN EXEMPTION FROM REGISTRATION IS AVAILABLE.

FOR SOUTH CAROLINA RESIDENTS: IN MAKING AN INVESTMENT DECISION INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE PERSON OR ENTITY CREATING THE UNITS AND TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THESE UNITS HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE. THESE UNITS ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY NOT BE TRANSFERRED OR RESOLD EXCEPT AS PERMITTED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AND THE APPLICABLE STATE SECURITIES LAWS, PURSUANT TO REGISTRATION OR EXEMPTION THEREFROM. INVESTORS SHOULD BE AWARE THAT THEY WILL BE REQUIRED TO BEAR THE FINANCIAL RISKS OF THIS INVESTMENT FOR AN INDEFINITE PERIOD OF TIME.

FOR SOUTH DAKOTA RESIDENTS: THESE UNITS HAVE NOT BEEN REGISTERED UNDER CHAPTER 47-31 OF THE SOUTH DAKOTA SECURITIES LAWS AND MAY NOT BE SOLD, TRANSFERRED, OR OTHERWISE DISPOSED OF FOR VALUE EXCEPT PURSUANT TO REGISTRATION, EXEMPTION THEREFROM, OR OPERATION OF LAW. EACH SOUTH DAKOTA RESIDENT PURCHASING ONE OR MORE WHOLE OR FRACTIONAL UNITS MUST WARRANT THAT HE HAS EITHER (1) A MINIMUM NET WORTH (EXCLUSIVE OF HOME, FURNISHINGS AND AUTOMOBILES) OF USD\$30,000 AND A MINIMUM ANNUAL GROSS INCOME OF USD\$30,000 OR (2) A MINIMUM NET WORTH (EXCLUSIVE OF HOME, FURNISHINGS AND AUTOMOBILES) OF USD\$75,000. ADDITIONALLY, EACH INVESTOR WHO IS NOT AN ACCREDITED INVESTOR OR WHO IS AN ACCREDITED INVESTOR SOLELY BY REASON OF HIS NET WORTH, INCOME OR AMOUNT OF INVESTMENT, SHALL NOT MAKE AN INVESTMENT IN THE PROGRAM IN EXCESS OF 20% OF HIS NET WORTH (EXCLUSIVE OF HOME, FURNISHINGS AND AUTOMOBILES).

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FOR TENNESSEE RESIDENTS: THESE UNITS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR THE TENNESSEE SECURITIES ACT OF 1800, BY REASON OF SPECIFIC EXEMPTIONS THEREUNDER RELATING TO THE LIMITED AVAILABILITY OF THE OFFERING. THESE UNITS CANNOT BE SOLD, TRANSFERRED, OR OTHERWISE DISPOSED OF TO ANY PERSON OR ENTITY UNLESS THEY ARE SUBSEQUENTLY REGISTERED OR AN EXEMPTION FROM REGISTRATION IS AVAILABLE.

FOR TEXAS RESIDENTS: THESE UNITS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR THE TEXAS SECURITIES ACT, BY REASON OF SPECIFIC EXEMPTIONS THEREUNDER RELATING TO THE LIMITED AVAILABILITY OF THE OFFERING. THESE UNITS CANNOT BE SOLD, TRANSFERRED, OR OTHERWISE DISPOSED OF TO ANY PERSON OR ENTITY UNLESS THEY ARE SUBSEQUENTLY REGISTERED OR AN EXEMPTION FROM REGISTRATION IS AVAILABLE. THE INVESTMENT IS SUITABLE IF IT DOES NOT EXCEED 10% OF THE INVESTOR'S NET WORTH.

FOR UTAH RESIDENTS: THESE UNITS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR THE UTAH UNIFORM SECURITIES ACT, BY REASON OF SPECIFIC EXEMPTIONS THEREUNDER RELATING TO THE LIMITED AVAILABILITY OF THE OFFERING. THESE UNITS CANNOT BE SOLD, TRANSFERRED, OR OTHERWISE DISPOSED OF TO ANY PERSON OR ENTITY UNLESS THEY ARE SUBSEQUENTLY REGISTERED OR AN EXEMPTION FROM REGISTRATION IS AVAILABLE.

FOR VERMONT RESIDENTS: THESE UNITS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR THE VERMONT SECURITIES ACT, BY REASON OF SPECIFIC EXEMPTIONS THEREUNDER RELATING TO THE LIMITED AVAILABILITY OF THE OFFERING. THESE UNITS CANNOT BE SOLD, TRANSFERRED, OR OTHERWISE DISPOSED OF TO ANY PERSON OR ENTITY UNLESS THEY ARE SUBSEQUENTLY REGISTERED OR AN EXEMPTION FROM REGISTRATION IS AVAILABLE.

FOR VIRGINIA RESIDENTS: THESE UNITS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR THE VIRGINIA SECURITIES ACT, BY REASON OF SPECIFIC EXEMPTIONS THEREUNDER RELATING TO THE LIMITED AVAILABILITY OF THE OFFERING. THESE UNITS CANNOT BE SOLD, TRANSFERRED, OR OTHERWISE DISPOSED OF TO ANY PERSON OR ENTITY UNLESS THEY ARE SUBSEQUENTLY REGISTERED OR AN EXEMPTION FROM REGISTRATION IS AVAILABLE.

FOR WASHINGTON RESIDENTS: THIS OFFERING HAS NOT BEEN REVIEWED OR APPROVED BY THE WASHINGTON SECURITIES ADMINISTRATOR, AND THE UNITS OFFERED HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT (THE "ACT") OF WASHINGTON CHAPTER 21.20 RCW AND MAY BE TRANSFERRED OR RESOLD BY RESIDENTS OF WASHINGTON ONLY IF REGISTERED PURSUANT TO THE PROVISIONS OF THE ACT OR IF AN EXEMPTION FROM REGISTRATION IS AVAILABLE. THE INVESTOR MUST RELY ON THE INVESTOR'S OWN EXAMINATION OF THE PERSON OR ENTITY CREATING THE UNITS AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED, IN MAKING AN INVESTMENT DECISION ON THESE UNITS.

FOR WEST VIRGINIA RESIDENTS: THESE UNITS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR THE WEST VIRGINIA UNIFORM SECURITIES ACT, BY REASON OF SPECIFIC EXEMPTIONS THEREUNDER RELATING TO THE LIMITED AVAILABILITY OF THE OFFERING. THESE UNITS CANNOT BE SOLD, TRANSFERRED, OR OTHERWISE DISPOSED OF TO, ANY PERSON OR ENTITY UNLESS THEY ARE SUBSEQUENTLY REGISTERED OR AN EXEMPTION FROM REGISTRATION IS AVAILABLE.

FOR WISCONSIN RESIDENTS: THESE UNITS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR THE WISCONSIN UNIFORM SECURITIES LAW, BY REASON OF SPECIFIC EXEMPTIONS THEREUNDER RELATING TO THE LIMITED AVAILABILITY OF THE OFFERING. THESE UNITS CANNOT BE SOLD, TRANSFERRED, OR OTHERWISE DISPOSED OF TO ANY PERSON OR ENTITY UNLESS THEY ARE SUBSEQUENTLY REGISTERED OR AN EXEMPTION FROM REGISTRATION IS AVAILABLE.

FOR WYOMING RESIDENTS: THESE UNITS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR THE WYOMING UNIFORM SECURITIES ACT, BY REASON OF SPECIFIC

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EXEMPTIONS THEREUNDER RELATING TO THE LIMITED AVAILABILITY OF THE OFFERING. THESE UNITS CANNOT BE SOLD, TRANSFERRED, OR OTHERWISE DISPOSED OF TO ANY PERSON OR ENTITY UNLESS THEY ARE SUBSEQUENTLY REGISTERED OR AN EXEMPTION FROM REGISTRATION IS AVAILABLE. WYOMING REQUIRES INVESTOR SUITABILITY STANDARDS OF A USD\$250,000 NET WORTH (EXCLUSIVE OF HOME, FURNISHINGS, AND AUTOMOBILES), AND AN INVESTMENT THAT DOES NOT EXCEED 20% OF THE INVESTOR'S NET WORTH.

FOR RESIDENTS OF ALL STATES: THESE UNITS HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

FOR RESIDENTS OF ALL OTHER JURISDICTIONS: THESE UNITS HAVE NOT BEEN RECOMMENDED BY OR REGISTERED WITH ANY GOVERNMENT SECURITIES COMMISSION OR REGULATORY AUTHORITY. TO THE EXTENT ANY SUCH AUTHORITY HAS JURISDICTION OVER THE COMPANY, THESE UNITS ARE BEING OFFERED PURSUANT TO ANY AVAILABLE EXEMPTION FROM REGISTRATION. FURTHERMORE, NO GOVERNMENT SECURITIES COMMISSION OR REGULATORY AUTHORITY HAVE CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY MAY BE A CRIMINAL OFFENSE.

WHO MAY INVEST

Investing in the Company involves a high degree of risk. The Units are suitable only for persons having adequate resources who understand the nature of and risk associated with acquiring interests in ore processing operators.

If you cannot afford a total loss of your capital contribution, do not invest. You must be able to bear the economic risk of your capital contribution for an indefinite period of time and can, at the present time, afford a total loss of the same.

To be considered for admission as a Preferred Member of the Company, you must complete in full and sign the Suitability Questionnaire attached to this Memorandum. The purpose of the Suitability Questionnaire is to provide us with sufficient information that we may determine your suitability to be a Preferred Member of the Company and to comply with federal and state securities laws. All information provided by you shall be considered confidential, subject to the conditions noted therein.

General Suitability Standards

For your subscription of Units to be considered, you will be required to represent in writing that:

1. You are acquiring the Units for your own account, and not with a view to resell or distribute;
2. Your overall commitment to invest is not disproportionate to your net worth exclusive of the value of your primary residence, and your capital contribution to the Company will not cause such overall commitment to become excessive;
3. You can bear the economic risk of your capital contribution for an indefinite period of time, and can at the present time afford a total loss of your investment;
4. You have thoroughly read and understand the terms of this Memorandum and the Operating Agreement and agree to be bound thereto;
5. You understand and accept the risks as set forth in this Memorandum; and

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6. You or your representative have sufficient knowledge and experience in financial matters, that you are capable of evaluating the merits and risks of the investment, can bear the economic risk of this investment for an indefinite period of time and can at the present time afford a substantial or complete loss of your investment (i.e., you are "sophisticated"), or you are an "accredited investor" as that term is defined in Rule 501(a) of Regulation D of the Securities Act of 1933, as amended.

You are deemed "accredited" if

- a. You are a natural person whose individual net worth (exclusive of the value of your primary residence), or joint net worth with your spouse, presently exceeds \$1,000,000;
- b. You are a natural person who had an individual income in excess of \$200,000 in each of the two most recent years or joint income with your spouse in excess of \$300,000 in each of those years and you reasonably expect reaching the same income level in the current year;
- c. You are a corporation, partnership, limited liability company, or other entity in which all of the equity owners are "accredited investors" (each meeting at least one of these suitability requirements);
- d. You are a trust with total assets in excess of \$5,000,000 and was not formed for the specific purpose of acquiring Units, the trustee of which has such knowledge and experience in real estate and/or financial and business matters that it is capable of evaluating the merits and risks of investing in the Units;
- e. You are either a bank, savings and loan association or other financial institution; a registered securities broker or securities dealer; an insurance company; a registered investment company or business development company; a licensed Small Business Investment Company; or a private business development company;
- f. You are a state-sponsored pension plan with total assets in excess of \$5,000,000;
- g. You are an employee benefit plan which either (a) has a fiduciary that is a bank, savings and loan association, insurance company, or registered investment adviser; (b) has total assets in excess of \$5,000,000; or (c) is a self-directed plan and investment decisions are made solely by persons that are "accredited investors" (meeting at least one of the listed suitability requirements);
- h. You are a non-profit organization described in section 501(c)(3) of the Internal Revenue Code that was not formed for the specific purpose of acquiring Units and have total assets in excess of \$5,000,000; or
- i. You are a director, executive officer, general partner, member or Manager of the Company.

These general standards represent the minimum requirements for you to become a Preferred Member of the Company and do not necessarily mean if you meet all of these requirements that you are qualified to be admitted as a Preferred Member of the Company. Moreover, we reserve the right to modify the suitability standards on a case-by-case basis in view of your financial circumstances or experience in such matters. We also reserve the right to reject your subscription for any or no reason, in our sole discretion.

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SUMMARY OF THE OFFERING

This term sheet is a summary of the principal terms and conditions for investment in the Class A Preferred Units of ARIZONA GOLD PROCESSING LLC. The terms and conditions set forth hereafter are qualified in their entirety by their more thorough treatment in the Memorandum. This summary alone does not constitute an offer to sell Unit(s) in the Company. An offer may be made only by an authorized representative of the Company and the recipient must receive a complete Memorandum, including all Exhibits.

The Company

ARIZONA GOLD PROCESSING LLC ("we", "us", "our", or the "Company") is a limited liability company (LLC) organized under the laws of the State of Arizona. The Company's principal place of business is 2575 E. Camelback, Suite 450, Phoenix, Arizona 85016 USA. The Company's main telephone number is (602) 343-7500.

Our Objectives

The Company was formed to provide efficient and cost effective ore processing services for local gold and silver placer mines. We intend to acquire equipment and machinery that utilize the latest advances in gold and silver ore processing technologies such as electrostatic separation.

The primary objectives of the Company are to:

- Acquire one or more high tension separators;
- Place such equipment into operation servicing local active mining operations for gold, silver, and/or other precious metals pursuant to contracts; and
- Distribute the Company's revenue from such activities to the Members in accordance with the Operating Agreement.

There can be no assurance these objectives will be achieved.

Arizona Ore Processing Market

We believe a strong demand exists for efficient, cost effective ore processing services in the State of Arizona and its environs. Local placer mine operators often lack the proper equipment and technology to effectively process extracted ore to maximize production levels of gold and other precious metals. We intend to fill this gap by contracting with such operators to process their ore.

Electrostatic Separation Technology

We intend to acquire and operate equipment that features electrostatic separation technology (also known as "high tension" separation). This technology is believed to be more friendly to the environment than other processes which often employ harsh chemicals. Electrostatic separators use the charging and de-charging of particles for the selective separation of conductive and non-conductive materials. Separation occurs when the different product components of the product feed lose their charge at different speeds. The ore mixture to be separated is fed onto a rotating drum with vibratory feeder and is then electrostatically charged using high voltages. As a result of this charging, the particles "stick" to the drum's surface due to electrostatic effects. With the rotation of the separation drum the particles are then taken out of the electrostatic field and are discharged. Metallic particles, such as gold and other precious metals, lose their charge very quickly and fall off the separation drum. The resulting "super concentrated" dried ore can then delivered to a refinery to be efficiently refined into gold and silver bullion.

Planned Initial Operations

We are presently negotiating a contract to process up to 30,000 tons of ore from a local placer gold ore deposit in the Phoenix area as soon as we have our equipment

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in place and operational. We intend to conduct operations in leased facilities in an industrial area of Phoenix, Arizona, in relative proximity to the placer mine.

Company Structure

The Company is a Manager-managed limited liability company (LLC) with two (2) classes of equity ownership:

(1) Managing Membership Interest (voting equity); and

(2) Preferred Membership Interest (non-voting preferred equity with revenue sharing).

The Company's current sole Managing Member is AZGO LLC, an Arizona limited liability company.

Class A Preferred Unit Distribution Policy

Distributions of Company Net Revenue¹, capital, and other disposition of Company assets are allocated as follows per the Operating Agreement:

- First, 100% to the Class A Preferred Members (0% to the Managing Member) until the Preferred Members have realized 100% of their Capital Contribution;
- Thereafter, 75% to the Class A Preferred Members (25% to the Managing Member) until the Preferred Members have realized 200% of their Capital Contribution;
- Thereafter, 50% to the Class A Preferred Members (50% to the Managing Member) until the Preferred Members have realized 500% of their Capital Contribution (a "Redemption Event");
- Upon the occurrence of a Redemption Event (i.e., Preferred Members' realizing a 5 to 1 cash on cash return on their Capital Contribution) the Preferred Members' Units in the Company shall be automatically redeemed in consideration of cash already received at which time their Membership Interest in the Company shall end.

"Charter" Preferred Member Incentive

Until 5:00 P.M. Pacific Time on January 31, 2012, and until 21 Units are sold, in order to finalize our contract negotiations and commence the acquisition of production equipment as rapidly as possible, our Managing Member is offering to exercise its discretion and waive the automatic redemption clause in the Company's Operating Agreement for subscribers of at least three (3) Units in this Offering (\$50,250). Such "charter" Preferred Members would be thus eligible to continue to receive distributions pro-rata to their membership interest indefinitely for the life of the Company and would not be subject to a Redemption Event.

Management Compensation

The Company's Managers, our Managing Member and/or their Affiliates, including our Key Personnel, consultants, or other persons will be paid compensation in connection with their management of Company affairs. Such persons are also eligible for reimbursement for general and administrative costs and expenses, due diligence, market research, and pre-acquisition research costs in connection with the pursuit of the Company's objectives (See "Capitalization and Estimated Use of Proceeds"). Managers of the Company and/or Affiliates of the Managing Member may receive salaries or other forms of compensation out of the net proceeds of this offering or the Company's revenue, capital, or other disposition of Company assets

¹ Net Revenue is defined as 70% of Gross Revenue, less actual expenses. 30% of Gross Revenue is allocated to our Managing Member, AZGO LLC.

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or working capital reserves for services performed on behalf of the Company. Such services may include, but are not limited to, legal, accounting, investor relations, communications, business development, administrative support, etc. (See "Conflicts of Interest" and "Compensation").

Securities Offered

We are offering for sale up to 100 Units of Class A Preferred Membership Interest only to "accredited" investors or to such persons (or their representatives) who have sufficient knowledge and experience in business and financial concerns that are capable of evaluating the merits and risks of the investment (i.e., "sophisticated" investors) (See "Who May Invest"), at \$16,750 per Unit, aggregating \$1,675,000. "Unit" means a Preferred Membership Interest in the Company. The minimum subscription by an investor is 2 Units (\$33,500), although we may elect to waive this minimum requirement and accept fractional Unit subscriptions in our sole discretion. The Offering may be expanded up to 120 Units (\$2,010,000) in the Managing Member's sole discretion. Such action may have a dilutive effect on your interest in the Company's underlying assets, revenue, etc..

Type of Offering

The Offering is being conducted pursuant to Section 4(2) and/or Rule 506 of Regulation D under the Securities Act of 1933, as amended, and pursuant to applicable state laws that provide an exemption for limited private offerings. This Offering is not available to the public nor may any offers be made in states or jurisdictions that do not recognize an equivalent exemption.

Suitability of Investors

The purchase of Units is suitable only for persons of substantial financial means that have no need for liquidity in their investments. Units will be sold only to "accredited investors" or to such persons (or their representatives) who have sufficient knowledge and experience in business, financial and/or mining concerns that are capable of evaluating the merits and risks of the investment (i.e., "sophisticated" investors) (see "Who May Invest").

Potential Holdings

We expect to own and/or lease ore processing equipment and other assets related thereto.

Risk Factors

Investing in ore processing concerns is highly speculative (See "Risk Factors").

Capital Commitments

We are offering Units in minimum denominations of USD \$16,750, with the aggregate amount of Capital Contributions via this Offering not to exceed USD \$1,675,000 unless expanded.

Management

We are managed by our Managing Member through their principals (See "Key Personnel"). We may also employ other persons to manage the Company's activities, including but not limited to, geologists, engineers, realtors, mortgage bankers, surveyors, appraisers, analysts, investment advisors, accountants, money managers, attorneys, risk managers, statisticians, computer technicians, bankers, consultants, etc. We may also enlist the services of other managers or professionals if deemed in the best interest of the Company.

Voting Rights

Preferred Members have limited voting or consent rights (See the Operating Agreement). Control of the Company is vested with the Managing Member.

Placement

Unless expanded, the placement is for up to \$1,675,000 in Units of Class A Preferred Membership Interest initially at \$16,750 per Unit. No minimum amount is required to proceed with the offering and/or release proceeds to the Company. The number of Members of the Company, including the Managing Member, will be limited to a maximum of 100 (after application of a look-through rule to investors that are partnerships, grantor trusts, or S-corporations). Each Preferred Member will

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	be required to agree that they will not make a market in our interests and that they will not transfer their interest in the Company on an established securities market, a secondary market or the substantial equivalent thereof.
Minimum Investment	The minimum investment in the Company is a commitment of at least 2 Units (\$33,500) per investor. However, we may elect to waive this minimum requirement and accept fractional Unit subscriptions in our sole discretion..
Closing of Offering	Applications to subscribe for Units must be received by 5:00 PM Pacific Time within 180 days of the date on the cover of this Memorandum or such other date as may be set by the Company. This Offering may be closed at any time without notice.
U.S. Federal Income Taxation	We expect to be treated as a partnership for U.S. federal income tax purposes. As such, we will not be subject to U.S. federal income taxation on income and gain realized from our investments. Each Company Member that is a U.S. citizen, resident, corporation, or partnership will be required to take into account, in determining their own income tax liability, their allocable share of our income, gains, losses, deductions, and credits, whether or not such items are actually received by the Member.
Restrictions on Transfer of Units	Units may not be transferred without the prior written consent of the Company.
Redemption/Retraction	We may compulsorily redeem the Units of any investor at any time to ensure compliance with securities laws or for any lawful reason. Unless waived in the Managing Member's sole discretion (e.g., for subscribers of the first 20 Units of this Offering), upon the occurrence of a Redemption Event (i.e., Preferred Members' realizing a 5 to 1 cash on cash return on their Capital Contribution) the Preferred Members' Units in the Company shall be automatically redeemed in consideration of cash already received at which time their Membership Interest in the Company shall end.
Establishment Expenses	Establishment costs (attorneys fees, state filing fees, etc.) of the Company will be reimbursed by the Company to the Managing Member. Likewise, associated costs of the placing of the Units, as set forth in the Memorandum, will be paid by the Company.
Operating Expenses	The Company will also pay or reimburse the Company's Managing Member and/or its Affiliates for expenses incurred in connection with our operation, including accounting, legal, administrative, and other professional costs and out-of-pocket expenses.
Reports	Although not required, you may expect to receive reports from time to time regarding our activities and will be notified of important developments concerning the Company and its planned objectives.

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SOURCES OF INFORMATION

This Memorandum contains summaries of and references to certain documents which are believed to be accurate and reliable. Complete information concerning these documents is available for your inspection or your duly authorized financial consultants and advisors. All documents relating to the Company will be made available to you or your representatives at our offices in Phoenix, Arizona. The Company's management is available by telephone or by appointment to provide answers to your questions. **NO REPRESENTATIVE HAS BEEN AUTHORIZED TO GIVE YOU ANY INFORMATION OTHER THAN THAT SET FORTH IN THIS MEMORANDUM.**

REPRESENTATIONS

This Memorandum has been prepared to provide you with information concerning the risk factors, terms and proposed activities of the Company and to help you make an informed decision before subscribing for Units. However, neither the delivery of this Memorandum to you nor any sales made hereunder shall create any implication that there has been no change in our affairs since the date on the cover of this Memorandum.

This Memorandum does not constitute an offer or solicitation to anyone in any state or jurisdiction in which such an offer or solicitation is not authorized. Any reproduction or distribution of this Memorandum in whole or in part or the divulgence of any of its contents without our prior written consent is strictly prohibited. By accepting delivery hereof, you agree to return this Memorandum and all associated documents to the address on the cover unless you purchase Units.

We reserve the right to proceed with our objectives at any time. No minimum number of Units need to be sold prior to our use of the proceeds of this Offering. We reserve the right to offer any Units not purchased through this Offering to Affiliates, employees, principals, industry participants, private partners, or to others on terms other than those outlined in this Memorandum. We reserve the right to terminate this Offering without notice at any time.

This Offering is only available to "accredited investors" as defined by Rule 501(a) of Regulation D of the Securities Act of 1933, as amended, and/or investors who can represent that they have such knowledge and experience in financial and/or business matters (or are represented by such a person) that they are capable of evaluating the merits and risks of an investment in the Company (i.e., "sophisticated" investors). This Offering is being conducted pursuant to Section 4(2) and/or Rule 506 of Regulation D under the Securities Act of 1933, as amended, and pursuant to applicable state laws that provide an exemption for limited private offerings. This Offering is not available to the public nor may any offers be made in states or jurisdictions that do not recognize such an exemption.

The Units are considered "restricted securities" as such term is defined under federal and state securities laws, and cannot be subsequently sold or transferred without registration or reliance, to the satisfaction of counsel for the Company, that an exemption from registration is available. You should be aware that no market for the Units presently exists and there can be no assurance that a market will ever materialize.

To the extent such statutes are applicable to us or to our activities, if at all, we are claiming exemptions and/or exclusion from registration under the Investment Company Act of 1940, as amended, the Investment Advisers Act of 1940, as amended, and applicable state law.

We are not currently subject to ongoing information disclosure requirements of the Securities and Exchange Act of 1934, as amended, and most likely will not be subject to such requirements after the completion of this Offering. Accordingly, we are not required to provide annual reports to the Unit subscribers, although we plan to keep Preferred Members apprised of the Company's activities and progress from time to time.

Throughout this Memorandum reference is made to certain information not contained in this document. If you wish to read the referenced material, we will attempt to provide it for you so long as procuring such information is not unduly expensive or burdensome. Please call us at (602) 343-7500 to inquire about referenced information.

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RISK FACTORS

GENERAL RISK CONSIDERATIONS

This investment is speculative and involves high risk

The Units being offered should be considered a speculative investment that involves a high degree of risk. Therefore, you should thoroughly consider all of the risk factors discussed herein. You should understand that there is substantial likelihood that you will lose your entire capital contribution. You should not invest in the Company if you are in any way dependent upon the funds you may be using to acquire Units.

This Memorandum includes forward-looking statements

This Memorandum includes many forward-looking statements. These forward-looking statements are subject to risks, uncertainties and assumptions, including, among other things:

- Supply and demand for gold, silver, and/or other precious metals;
- The actions of our competitors;
- Fluctuating interest rates and commodity prices;
- Advances in technology and refining processes;
- Our reliance upon third party gold and silver mines to supply ore;
- Our ability to market our services and retain customers;
- Cost-effectiveness of operations;
- Our creditworthiness;
- Our ability to acquire the necessary equipment and machinery;
- Our ability to secure delivery of equipment from China;
- Leasing adequate plant facilities to conduct operations;
- Hiring and maintaining skilled labor;
- Environmental and regulatory concerns;
- Successful implementation of the Company's objectives; and
- Economic and demographic trends affecting the Company.

Although we may attempt to supplement this Memorandum from time to time with new information with respect to our progress, we are not obligated to do so. We may not update or revise forward-looking statements, whether as a result of new information, future events or otherwise. In light of these risks, uncertainties and assumptions, the forward-looking events discussed in this Memorandum might not occur.

You should rely only on the information contained in this Memorandum. We have not authorized any other person to provide you with different information. If anyone provides you with different or inconsistent information, do not rely on it.

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We are not making an offer to sell these Units in any jurisdiction where the offer or sale is not permitted. You should assume that the information appearing in this Memorandum is accurate as of the date on the front cover. Our business or financial condition, the results from our operations and prospects may have materially changed subsequent to that date.

The Company will be subject to inherent conflicts of interest

As explained elsewhere in this Memorandum, the Company's Managing Member receives 30% of the Company's Gross Revenue as well as a portion of the Net Revenue that increases over time in the event certain performance benchmarks are met. Thus, there may be an inherent tendency for the Managing Member to cause the Company to take disproportionate risks with the Company's capital in order to achieve higher overall returns. Prospective investors should consider this risk in addition to and/or in conjunction with all of the other risk factors detailed below and elsewhere in this Memorandum. (See "Certain Relationships and Conflicts of Interest").

The Company has a thin initial capitalization

The Company has been thinly capitalized. To become further capitalized, it will rely primarily upon the proceeds of this Offering. Because of the manner of capitalization, the Company will not have sufficient assets beyond its processing equipment (which may be collateralized for debt financing) to pay the Preferred Members the stated Preferred Return on their Capital Contribution. If we fail to realize our objectives, or if our business is later determined to have little or no value, or is unable to be liquidated, the Preferred Members could lose part or all of their investment in the Units.

GENERAL RISKS ASSOCIATED WITH THE COMPANY'S BUSINESS PLAN

The purchase of Units involves various risks. Prospective purchasers should consider the following factors before making a decision to acquire Units.

Risks are inherent in the gold refining industry

Gold and other metals are speculative commodities that fluctuate in price. Consequently, industries which are tied directly or indirectly to gold and silver supply and demand, involve many risks and frequently are unsuccessful. Gold ore refining concerns entail risks relating to location, metallurgical processes, governmental permits and regulatory approvals and the construction of processing facilities. Barriers to entry can be quite high and take a number of years, requiring substantial expenditures of capital with no guarantee of any return. There is no assurance that we will have, or be able to raise, the required funds to engage in these activities or to meet our obligations with respect to the refining equipment we intend to acquire and operate. Any one or more of these factors or occurrence of other risks could cause us not to realize the anticipated benefits of engaging in the ore refining business and cause the Preferred Members to lose part or all of their investment in the Units.

Commodity Price Risks

Our profitability depends on the price of gold, silver, and/or other precious metals, which is affected by many things, including the sale or purchase of gold by central banks and financial institutions, interest rates, exchange rates, inflation or deflation, fluctuations in the value of the US dollar and foreign currencies, global and regional supply and demand, and the political and economic conditions of the world's major gold-producing countries. We don't plan to hedge against changes in the price of gold, silver, and/or other precious metals. The cost of production, development and exploration varies depending on the market prices of certain mining consumables, including diesel fuel and electricity.

Technology Risks

There can be no assurance that the equipment and manufacturing processes we intend to employ will become outdated or superseded by more advanced technology by our competitors. There are refineries and other ore processors in our market that may be better equipped and better capitalized than we are. Our ability to become profitable is contingent upon our staying on top of advances in technology related to refining processes. Also, we will face ongoing maintenance issues related to the equipment we intend to acquire. In the event we lack sufficient capital to pay for upgrades and necessary replacement parts we may be unprofitable.

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There may be low demand for our services

While we expect to secure contracts from local gold and silver mines to process their ore, there can be no assurance that we will be able to do so. Also, such contracts may be prematurely terminated by our customers due to dissatisfaction with the quality of our processes and services. Demand for our processing services may fluctuate depending upon volume of ore that is produced by local mining concerns. As a result, we may not be able to net enough cash flow to meet our obligations.

Location Risks

While we intend to locate our processing plant in an area that is convenient for local mines to deliver their ore, we may face issues related to our lease, government regulations regarding operating permits, etc., that may cause us to face re-location costs, etc.

We face logistical issues

We may face issues securing functional equipment in a timely manner from suppliers overseas. Our operations may be delayed due to the fact it takes a minimum of 90 days to receive equipment and machinery from China and then to transport the same to Phoenix, Arizona. It also may take an inordinate amount of time to assemble the machinery, train employees, and become fully operational.

Our profitability is also dependent upon successful delivery of ore to our plant for processing. We may face problems receiving sufficient volumes of ore due to trucking issues, labor shortages, labor strikes, etc. Also, mines may require us to pick up their ore for processing which would cause us to incur increased costs.

Marketing Risks

Our success is dependent upon our ability to market our services to local mine operators and convince them that our processes will be cost-effective for them.

Competition

There are several existing gold and silver processing facilities in our target market area that may be better capitalized, may have more efficient equipment, technology or processes, and may have marketing advantages over us. There is no assurance that we will be able to effectively compete in our intended market.

Labor Risks

Running an ore refining plant and operating complex machinery is labor intensive. Our success is dependent upon being able to attract skilled local labor to help operate the plant and also attracting managers who have the skill set to oversee and direct our day-to-day operations. We will incur costs of training and managing personnel. Depending upon the local labor market in Arizona, it may be difficult to find and train such personnel and retain them over time. If the cost of labor exceeds our revenues we may not ever become profitable.

Operations

Operating an ore refining plant involves many operational risks and hazards including, but not limited to, death, injury, and property damage. Operations involve the use of heavy machinery and equipment and large numbers of personnel. Mechanical failures and accidents are continuously possible. Any such event may cause losses and/or liabilities that are beyond our ability to effectively manage.

Permits

We may be required to obtain and maintain a wide range of local, state, and federal government permits for our operations. There is no assurance that we will be able to get them on a timely basis, or at all.

Laws and regulations

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Our intended operations are subject to extensive federal, state and local laws and regulations that govern refining, production, imports, exports, taxes, labor standards, occupational health and safety, and other matters. These laws and regulations are subject to change, which may restrict our ability to operate. We intend to draw on the expertise and commitment of our management team, advisors, employees and/or affiliated contractors, lawyers, and operators to ensure compliance with current laws.

Litigation

All industries, including ours, are subject to legal claims that can be with and without merit. Defense and settlement costs can be substantial, even for claims that have no merit. The litigation process is inherently uncertain, so there can be no assurance that the resolution of a legal proceeding will not have a material adverse effect on our future cash flow, results of operations or financial condition.

Political risk

Our operations in the State of Arizona may be subject to political, economic and other risks that may affect our future operations and financial position.

Company Capitalization; Indebtedness

We anticipate we will maintain working capital reserves, but the Company is not required to maintain any minimum level of permanent working capital reserves. To the extent that expenses increase or unanticipated expenses arise and accumulated reserves are insufficient to meet such expenses, the Company would be required to obtain additional funds through borrowing, if available. We may borrow substantially in order to finance the acquisition of equipment and/or to fund our operational overhead. Due to the limited capitalization of the Company prior to this Offering and the fact that we are a limited liability company, there would be limited resources to pursue in the event that we are unable to honor our financial commitments. The ability of the Company to repay any indebtedness incurred or subsequent refinancing, will depend upon our receipt of revenues prior to the date such amounts become due. There can be no assurance that sufficient revenue will be received at a time or on such terms and conditions as will permit the Company to repay the outstanding principal amount of any such indebtedness. Financial market conditions in the future may affect the availability and cost of loans, making financing difficult or costly to obtain. In the event the Company is unable to sell or refinance its equipment, accounts receivable, etc., prior to the maturity date of any such indebtedness, the Company will be required to obtain the necessary funds through additional borrowings, if available. If additional funds are not available from any source, the Company will be subject to the risk of losing collateralized property or equipment through foreclosure. Any such foreclosure would have a material impact on our ability to operate and force us into bankruptcy.

Risks of Joint Ventures

Some of our operations may be in the form of joint venture partnerships between the Company (as either a general or limited partner or as a member of a LLC) and the Managing Member, Affiliates of the Managing Member, third-party mining companies, refineries, or other investors. Our investment in such entities may involve risks not otherwise present. These include risks associated with the possibility that the Company's co-venturer in the might become bankrupt, that such co-venturer may at any time have economic or business interests or goals that are inconsistent with those of the Company, or that such co-venturer may be in a position to take action contrary to the instructions or the requests of the Company or contrary to the Company's policies or objectives. The Company may relinquish control of a joint venture and the Company may receive a disproportionate share of profits from a joint venture. Actions by a co-venturer might have the result of subjecting the Interests owned by the joint venture to liabilities in excess of those contemplated by the terms of the joint venture or might have other adverse consequences for the Company.

Uninsured Losses

While the Company intends to maintain a standard level of property and casualty insurance, should a disaster occur to or cause the destruction of any of equipment or property of the Company, to the extent such losses are not insured the Company could lose its ability to operate. The resulting loss of revenue could require the Company to obtain additional funds to meet Company expenses.

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Environmental and Regulatory Matters

We may be adversely affected by legislative, regulatory, administrative and enforcement actions at the local, state and national levels in the areas, among others, of environmental controls. In addition to possible increasingly burdensome regulations and related land use controls, such restrictions may relate to air and water quality standards, noise pollution and indirect environmental impacts.

Capital Expenditures

The Company will likely make significant capital expenditures related to the acquisition of ore refining equipment and associated assets. Accordingly, it may be necessary to incur indebtedness in order to finance such capital expenditures. There can be no assurance that the Company would be able to achieve sufficient revenues from operations to repay such indebtedness or to recoup funds expended on capital expenditures.

No History of Company Operations

The Company has only recently been formed and has no history of operations.

Reliance on Management

The Managing Member will have the right to make all decisions with respect to the management and operation of the business and affairs of the Company. Although involved in business to some degree, the Managing Member and its Affiliates have limited experience in managing partnerships or limited liability companies, including those investing in ore processing plants and the like. See "Management." Under the Operating Agreement, the Preferred Members will have no right or power to take part in the management of the Company. Accordingly, no Person should purchase Units unless such Person is willing to entrust all aspects of the management of the Company to the Managing Member. See "Management."

Bankruptcy

In the event that mine operators with which we have contracts seek bankruptcy protection under Chapter 11, Title 11 of the United States Code in United States Bankruptcy Court, no assurance can be given that such operators will be financially able to perform its obligations to us or that the debtor in possession or trustee will assume control of the mine in connection with the bankruptcy proceedings. Such an event would have a material adverse effect on our contracts with such operators and our ability to sustain adequate levels of revenue.

Purchase Money Obligations

Upon any future sale of our intended production plant, we may take as partial payment purchase money obligations in the form of a note and deed of trust, a note and mortgage or an agreement of sale or other form of security instrument. To that extent, the distribution of any sales proceeds to the Members may be delayed until the maturity of such obligations. We also would be subject to the risk that the purchaser may default in the payment or satisfaction of any such obligation to the Company. In addition, the Members may be required to report taxable gain on the disposition of related assets without receiving distributions to satisfy any tax liabilities. See "Tax Risks".

No Market for Units

The transfer of Units will be subject to certain limitations. Moreover, it is not anticipated that any public market for Units will develop, and the transfer of Units may result in adverse tax consequences for the transferor. Consequently, holders of Units may not be able to liquidate their investments in the event of emergency or for any other reason, and Units may not be readily accepted as collateral for a loan. The purchase of Units, therefore, should be considered only as a long-term investment.

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Return of Distributions

A Preferred Member will be liable to the Company and to its creditors for and to the extent of any distribution made to such Preferred Member if, after giving effect to such distribution, the remaining assets of the Company are not sufficient to pay its outstanding liabilities (other than liabilities to the Members on account of their interests in the Company).

Potential Sale of Processing Plant

The Company may sell the processing plant in the event the Managing Member, in its sole discretion, determines such action to be in the best interests of the Company in light of market conditions. The Managing Member and Preferred Members may experience a conflict of interest as to the optimum time to sell the plant. For example, it may, in certain instances, be in the best interest of the Managing Member to retain the plant while the retention of the plant at that time may not be in the perceived best interests of the Company or Preferred Members. The Managing Member will, however, in any event be required to make any decision on the terms and conditions of any sale or retention of the Interest based upon the best interests of the Company and its Preferred Members because of the fiduciary duty the Managing Member owes to the Class A Preferred Members.

Exclusion from Management and Indemnification

The Managing Member will have sole authority for the management of the Company. As Preferred Members, investors will have no right to participate in the Managing Member's decisions or in the management of the processing plant. The Preferred Members are permitted to vote only in a limited number of circumstances. While a Manager is accountable to the Company as a fiduciary and is obligated to exercise duties of due care, loyalty and full disclosure in handling Company affairs, it is entitled to certain limitations of liability and to indemnity by the Company against liabilities not attributable to its fraud, gross negligence or willful misconduct, or other breach of fiduciary duty. Such indemnity and limitation of liability may limit rights which Preferred Members would otherwise have to seek redress against the Managing Member. The law governing limited liability companies is a rapidly developing area and investors who have questions concerning the duties of a Manager to the members should consult their own legal counsel. See the Operating Agreement attached as an Exhibit hereto.

Risks of Dissolution

The Managing Member does not intend to dissolve the Company except as such dissolution is consistent with the investment objectives of the Company. However, the Managing Member has the right, with the consent of the Preferred Members by a majority vote, to dissolve the Company at any time. For example, if the processing plant and/or its associated equipment or assets were sold, distributions would be made to the Class A Preferred Members in accordance with the Operating Agreement. There can be no assurance that the Company will not be dissolved at a time when dissolution would be adverse to the best interest of any given Preferred Member, either from a financial or tax standpoint.

Income Tax Risks and ERISA Risks to Preferred Members

The following is a brief summary of what the Managing Member believes are the most significant tax risks involved in an investment by the Preferred Members in the Units. Numerous changes in the tax law have increased the tax risk and uncertainty associated with investments in LLC's that are taxed as partnerships. An unfavorable outcome with respect to any tax risk factor may have an adverse effect on an investment in the Units. The tax considerations involved in an investment in the Company that should be significant to the Class A Preferred Members are discussed under "Tax Risks" and "ERISA Aspects of the Offering." Each prospective investor is strongly urged to review the material and to discuss with his tax advisors the tax consequences to him of an investment in the Units.

1. **Partnership Status.** The federal income tax treatment contemplated for the Company and the Preferred Members will be available only if the Company is classified as a "partnership" for federal income tax purposes and not as an "association" taxable as a corporation. Counsel for the Company has specifically declined to opine on such matters. The Managing Member believes that the Company will more likely than not be classified as a "partnership" for federal income tax purposes. There is no guarantee of any tax treatment. We assume that the Company will operate in accordance with the Operating Agreement and will not elect to be taxed as a corporation. If it were determined that the Company is taxable as a corporation rather

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than as a partnership, the changes in the tax consequences to a Preferred Member would be significant and adverse.

2. **Passive Activity Rules.** Any Company losses will be treated as losses generated in a passive activity. Losses from passive activities generally may only be deducted against income from the same or other passive activities.
3. **Tax Liabilities in Excess of Cash Distributions.** Each Preferred Member will be required to pay federal and state income taxes at his individual rate on his allocable share of the Company's taxable income. No assurance can be given that cash will be available for distribution or will be distributed at any specific time. In rare cases the allocation of profits could be disproportionate to distributions to the Members. Therefore, distributions may be insufficient to pay income taxes with respect to allocations in a particular fiscal year. Accordingly, there is a risk that the Members will incur tax liabilities resulting from an investment in the Company without receiving cash from the Company in an amount sufficient to pay for any part of that liability.
4. **Reduction in Tax Basis.** Cash distributions by the Company to a Preferred Member will result in taxable gain to the Class A Preferred Members to the extent those distributions exceed the Preferred Member's basis for his Unit. Initially, a Preferred Member's basis for his Unit will be the amount of his cash contributions to the Company increased by the portion of any Company indebtedness for which that Member may bear the burden of economic loss.
5. **Unrelated Business Taxable Income.** Organizations generally exempt from federal income taxation (including qualified pension, profit-sharing and stock-bonus plans, Keogh plans and individual retirement accounts (IRAs)) may be taxable on their allocable share of Company income to the extent such income constitutes "unrelated business taxable income" ("UBTI"). Real estate rental income and gain on the sale of real property is generally not included in UBTI. However, a portion of the rental income from real property and gain upon sale of such real property may be treated as UBTI if the property is subject to "acquisition indebtedness." Such portion is approximately equal to the ratio of the acquisition indebtedness to the aggregate basis of the property. Tax-exempt entities, other than IRAs, may qualify for an exception that would allow them to avoid the recognition of UBTI if the Company meets certain disproportionate allocation rules; however, it is unclear whether the Company satisfies these rules, and therefore all tax-exempt entities may be required to recognize UBTI by reason of their investment in the Company. The receipt of UBTI by a charitable remainder trust results in taxation of all trust income for the taxable year, and therefore this is not a suitable investment for a charitable remainder trust.
6. **Risk of Characterization of Interest.** The Service could characterize our Interest in the to be or consist of property held primarily for sale to customers in the ordinary course of business of the Company. Under such characterization, any gain recognized by the Company on the sale of our Interest in the would be ordinary income and any loss on such sale would be ordinary loss.
7. **Audit Risk.** The Service has announced, and for several years has implemented, a policy which attempts to locate and select for audit the information returns of partnerships having tax loss benefits. Although the Managing Member does not believe that the Company is the type that would be subject to such greater Service scrutiny, the federal income tax information return of the Company will still be subject to audit. If the Company's information return is audited, such audit may cause corresponding adjustments to, and may increase the probability of an audit of, a Preferred Member's federal income tax return.
8. **Factual Determinations by Manager.** The determination of the correct amount of certain deductions and their availability and timing to the Company depend on factual determinations to be made by the Managing Member. Counsel has specifically declined to give an opinion on such matters. Although the Managing Member will exercise its best judgment regarding the facts when preparing the Company's information return, the Service may assert that the Managing Member's judgment of the facts is not correct, which could result in the disallowance or deferral of deductions in whole or part. Such adjustments could result in the assessment of additional tax liability to the Members.

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9. **Changes in the Tax Law.** Significant changes have been made in the Code in recent years. The Treasury Department's position regarding many of those changes remains unclear pending publication of interpretive and legislative regulations, some of which may not be forthcoming for some time. Additionally, the Code is subject to change by Congress, and existing interpretations of the Code may be reversed, modified or otherwise affected by judicial decisions, by the Treasury Department through changes in its regulations, and by the Service through its audit policy, announcements and published and private rulings. No assurance can be given that any changes in the tax law will be given only prospective application to the Company or its Members.
10. **ERISA Risks.** The Employment Retirement Income Security Act of 1974 ("ERISA") subjects trustees and certain other parties-in-interest with respect to Qualified Plans to special standards. The ERISA considerations of an investment in the Company that the Managing Member believes are the most significant are discussed under "ERISA Aspects of the Offering." The Managing Member will limit the sale of Units to benefit plan investors to less than 25% of all Units purchased (excluding certain Units as described herein) unless the real estate operating company exception applies.

RISKS ASSOCIATED WITH THE COMPANY AND THIS OFFERING

This Offering is not registered under federal or state securities laws

This Offering has not been registered under the Securities Act of 1933, as amended, nor registered under the securities laws of any state or jurisdiction. We do not intend to register this Offering at any time in the future. Thus, you will not enjoy any benefits that may have been derived from registration and corresponding review by regulatory officials. You must make your own decision as to investing in our Company with the knowledge that regulatory officials have not commented on the adequacy of the disclosures contained in this Memorandum or on the fairness of the terms of this Offering.

We lack an operating history

The Company lacks an operating history. As a result, we are subject to all the risks and uncertainties which are characteristic of a new business enterprise, including the substantial problems, expenses and other difficulties typically encountered in the course of establishing a business, organizing operations and procedures, and engaging and training new personnel. The likelihood of our success must be considered in light of these potential problems, expenses, complications, and delays.

We cannot forecast or predict the outcome of our activities

We are dependent upon proceeds of this Offering to fund our operations. There is no information at this time upon which to base an assumption that our plans will materialize or prove successful. There can be no assurance that our planned endeavors will result in any operational revenues or profits in the future – especially if our processing plant proves to be commercially unprofitable. This, coupled with our limited operating history, makes prediction of our future operating results difficult, if not impossible. Because of these reasons, you should be aware that your entire capital contribution is at risk.

We are substantially dependent upon third parties

Although the Company's management (See "Key Personnel") have experience in business matters, in carrying out our business plan, we will be substantially dependent upon third parties and others retained by the Company including, but not limited to, mining contractors, foremen, laborers, engineers, geologists, truckers, realtors, mortgage bankers, surveyors, appraisers, analysts, investment advisors, accountants, money managers, attorneys, risk managers, statisticians, computer technicians, bankers, consultants, etc. For example, we will rely almost exclusively upon one or more contractors or personnel besides our Key Personnel for day-to-day operations of the processing plant. We may also enlist the services of other professionals if deemed in the best interest of the Company. The death or continuing disability of any of these persons may have a materially adverse effect upon our ability to conduct business.

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We face contract risks

There are third party contracts that may have an adverse effect on our business plan. For example, if we are unable to finalize a firm contract to begin processing ore immediately upon our processing plant becoming operational, we may incur unrecoverable losses. Also, a breach of such contracts by customers is outside the Company's control. Any such occurrence would jeopardize the Company's ability to pursue its business plan.

Transferability of Units you purchase will be restricted

Units offered by way of this Memorandum have not been registered with the Commission or any government's securities authority and will be restricted and therefore cannot be resold unless they are also registered or unless an exemption from registration is available. Therefore, you should be prepared to hold the Units for at least one (1) year and perhaps even an indefinite period of time.

There is no liquidity associated with the Units

The Units will not be listed on any national securities exchange or included for quotation through an inter-dealer quotation system of a registered national securities association. The Units constitute new issues of securities with no established trading market. Furthermore, it is not anticipated that there will be any regular secondary market following the completion of the Offering of the Units. Therefore, an investment in the Units should be considered non-liquid. In addition, no assurance can be given that the initial offering price for the Units will continue for any period of time.

We arbitrarily determined the offering price of Units and the terms of this Offering

The price per Unit and the terms of this Offering, and the ownership structure and related sharing arrangement between the Members, bears no relationship to our assets, prospects, net worth, or any recognized criteria of value and should not be considered to be an indication of the actual value of the Unit or the corresponding membership interest in the Company.

No Minimum Offering Threshold; Risk of undercapitalization

The Company does not have a minimum offering threshold requirement to commence using funds obtained through this Offering. Consequently, we may fail to raise sufficient capital to acquire any equipment or assets related to our business objectives.

We may require future capital to continue our operations

This Memorandum sets forth our best estimates of the capital we need to pursue our initial objectives. However, this amount may prove to be inadequate. We may, therefore, permit or request significant additional capital contributions from either Preferred Members on a pro rata basis, the Managing Member, new investors on terms different from those set forth in this Offering, or from other sources. This may or may not have dilutive effect upon respective percentages of Membership Interest in the Company.

All financial forecasts are subject to limitations

Any financial forecasts or other pro forma that utilized by the Company in connection with this Offering should not be relied upon to make any investment decision. Such forecasts, if any, have not been compiled or reviewed by independent accountants, and, accordingly, no opinion or other form of assurance is expressed. Because such projections are based on a number of assumptions and are subject to significant uncertainties and contingencies, many of which are beyond the control of the Company, there can be no assurance that such projections, if any, will be realized as actual results may vary significantly and materially from the results included. Such projections, if any, should not be regarded as a representation that the projections will be achieved, nor should the projections be relied upon in purchasing the Units offered hereby and are qualified in their entirety by the content of this Memorandum.

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OTHER POSSIBLE RISKS

The foregoing represent the Company's best attempt to identify the various risks the Company may be exposed to in connection with its pursuit of its proposed objectives. It does not purport to be complete and may not adequately cover all activities in which we may be engaged nor all the risks we will be subject to, either directly or indirectly, as a result of pursuing our objectives. You are encouraged and entitled to ask questions of and receive answers from the Company's management to assess the merits and risks of investing in the Company's Units.

RISKS RELATING TO THE PATRIOT ACT, MONEY LAUNDERING, AND TERRORISM PREVENTION

The Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (the "Patriot Act"), signed into law on and effective as of October 26, 2001, requires "financial institutions", a term that includes banks, broker dealers and investment companies, establish and maintain compliance programs to guard against money laundering activities. The Patriot Act requires the Secretary of the U.S. Treasury (the "Treasury") to prescribe regulations in connection with anti-money laundering policies of financial institutions. The Federal Reserve Board, the Treasury, and the SEC are currently studying what types of investment vehicles should be required to adopt anti-money laundering procedures, and it is unclear at this time whether such procedures will apply to the Company. It is possible that there could be promulgated legislation or regulations that would require the Company or other service providers to the Company, in connection with the establishment of anti money laundering procedures, to share information with governmental authorities with respect to purchasers of Company Units. Such legislation and/or regulations could require the Company to implement additional restrictions on the transfer of Units. The Company reserves the right to request such information as may be necessary to verify the identity of Preferred Members and the source of the payment of subscription monies, or as may be necessary to comply with any customer identification programs required by the Financial Crimes Enforcement Network and/or the SEC, or as may be required under any anti-money laundering legislation and regulation of the United States. In the event of delay or failure by any Unit holder to produce any information required for verification purposes, an application for or transfer of Units and the subscription monies relating thereto may be refused.

TAX RISKS

The following is a brief summary of what we believe are the most significant tax risks involved in an investment by the Preferred Members in the Units. Numerous changes in the tax law have increased the tax risk and uncertainty associated with investments in limited liability companies. An unfavorable outcome with respect to any tax risk factor may have an adverse effect on an investment in the Units. THEREFORE, NONE OF THE FOLLOWING SHOULD BE CONSIDERED TAX ADVICE FROM THE COMPANY, ITS MANAGEMENT, COUNSEL, ACCOUNTANTS, AFFILIATES, ETC. YOU ARE EXPECTED TO CONSULT WITH YOUR OWN PERSONAL TAX ADVISOR BEFORE MAKING A DECISION TO SUBSCRIBE FOR UNITS.

We have not obtained a tax opinion

We have not obtained an opinion of counsel as to the tax treatment of certain material federal tax issues potentially affecting the Company or the Preferred Members. Moreover, any such opinion, if we obtained one, would not be binding upon the IRS, and the IRS could challenge our position on such issues. Also, rulings on such a challenge by the IRS, if made, could have a negative effect on the tax results of ownership of the Company's Units.

Tax audits are possible

The IRS has announced, and for several years has implemented, a policy which attempts to locate and select for audit the information returns of partnerships having tax loss benefits. Although we do not believe the Company is the type that would be subject to such greater IRS scrutiny, the federal income tax information return of the Company will still be subject to audit. If the Company's information return is audited, such audit may cause corresponding adjustments to, and may increase the probability of an audit of, a Preferred Member's federal income tax return. If such audits occur, no assurance can be given that adjustments in the tax treatment of certain items of deduction or credit will not be made, or that certain items of deduction or credit will not be disallowed. Any such adjustments could increase the probability of audits of

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a Preferred Member's personal return, which, in turn, could result in adjustments of any items of income, gain, loss, deduction, or credit included in your personal return, regardless of whether or not those items relate to the Company.

Tax laws are subject to change

Tax laws are continually being introduced, changed, or amended, and there is no assurance that the tax treatment presently potentially available with respect to the Company's proposed activities will not be modified in the future by legislative, judicial, or administrative action. Proposals having an adverse tax impact on our activities could be adopted by Congress at any time, and such proposals could have a severe economic impact on us.

Passive Activity Rules

Any Company losses will be treated as losses generated in a passive activity. Losses from passive activities generally may only be deducted against income from the same or other passive activities.

Tax Liabilities in Excess of Cash Distributions

Each Company Member will be required to pay federal and state income taxes at his individual rate on his allocable share of the Company's taxable income. No assurance can be given that cash will be available for distribution or will be distributed at any specific time. Generally, the allocation of revenue is likely to be disproportionate to distributions to the Members. Therefore, distributions may be insufficient to pay income taxes with respect to allocations in a particular fiscal year. Accordingly, there is a risk that the Members will incur tax liabilities resulting from an investment in the Company without receiving cash from the Company in an amount sufficient to pay for any part of that liability.

Reduction in Tax Basis

Cash distributions by the Company to a Preferred Member will result in taxable gain to the Preferred Member to the extent those distributions exceed the Preferred Member's basis for his Unit. Initially, a Preferred Member's basis for his Unit will be the amount of his cash contributions to the Company increased by the portion of any Company indebtedness for which that Member may bear the burden of economic loss.

Unrelated Business Taxable Income

Organizations generally exempt from federal income taxation (including qualified pension, profit-sharing and stock-bonus plans, Keogh plans and individual retirement accounts (IRAs)) may be taxable on their allocable share of Company income to the extent such income constitutes "unrelated business taxable income" ("UBTI"). Real estate rental income and gain on the sale of real property is generally not included in UBTI. However, a portion of the rental income from real property and gain upon sale of such real property may be treated as UBTI if the property is subject to "acquisition indebtedness." Such portion is approximately equal to the ratio of the acquisition indebtedness to the aggregate basis of the property. Tax-exempt entities, other than IRAs, may qualify for an exception that would allow them to avoid the recognition of UBTI if the Company meets certain disproportionate allocation rules; however, it is unclear whether the Company satisfies these rules, and therefore all tax-exempt entities may be required to recognize UBTI by reason of their investment in the Company. The receipt of UBTI by a charitable remainder trust results in taxation of all trust income for the taxable year, and therefore this is not a suitable investment for a charitable remainder trust.

Risk of Characterization

The IRS could characterize a particular investment to be or consist of property held primarily for sale to customers in the ordinary course of business of the Company. Under such characterization, any gain recognized by the Company on the sale of the investment would be ordinary income and any loss on such sale would be ordinary loss.

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Factual Determinations

The determination of the correct amount of certain deductions and their availability and timing to the Company depend on factual determinations to be made by the Company. Counsel for the Company has specifically declined to give an opinion on such matters. Although the Company will exercise its best judgment regarding the facts when preparing the Company's information return, the IRS may assert that the Company's judgment of the facts is not correct, which could result in the disallowance or deferral of deductions in whole or part. Such adjustments could result in the assessment of additional tax liability to the Members.

Changes in the Tax Law

Significant changes have been made in the Code in recent years. The Treasury Department's position regarding many of those changes remains unclear pending publication of interpretive and legislative regulations, some of which may not be forthcoming for some time. Additionally, the Code is subject to change by Congress, and existing interpretations of the Code may be reversed, modified or otherwise affected by judicial decisions, by the Treasury Department through changes in its regulations, and by the Service through its audit policy, announcements and published and private rulings. No assurance can be given that any changes in the tax law will be given only prospective application to the Company or its Members.

THE FOREGOING DOES NOT PURPORT TO BE A COMPLETE EXPLANATION OF THE RISKS AND OTHER FACTORS INVOLVED IN THIS OFFERING. PROSPECTIVE PREFERRED EQUITY CLASS MEMBERS SHOULD CONSULT WITH THEIR OWN LEGAL AND/OR FINANCIAL ADVISORS IN ADDITION TO READING THIS ENTIRE MEMORANDUM BEFORE DECIDING TO INVEST IN THE COMPANY'S UNITS.

ERISA ASPECTS OF THE OFFERING

Introduction

The purchase of Units may not be appropriate for various tax deferred retirement plans, including any pension, profit sharing, Keogh plan or other employee retirement benefit plans qualified under Section 401(a) of the Code or any IRA qualified under Code Section 408 (hereinafter referred to as a "Qualified Plan" or "Qualified Plans"). Before purchasing Units, the trustee or other responsible fiduciary of a plan contemplating investment should consider: (a) whether the Qualified Plan is considered an employee benefit plan subject to certain fiduciary standards of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"); (b) whether the investment is in accordance with the documents and instruments governing such Qualified Plan; (c) whether the investment will result in unrelated business taxable income to the Qualified Plan; (d) whether the investment provides sufficient distributions to permit benefit payments to be made as they become due; (e) any requirement that the fiduciary annually value the assets of the Qualified Plan; and (f) whether the investment is prudent, since no public market is expected to develop in which the Units may be sold or otherwise transferred. An employee benefit plan is defined in Section 3(3) of ERISA and includes all Qualified Plans defined above except (1) plans covering only a partner or partners of a partnership and their spouses, (2) plans covering only sole proprietors or sole owners and their spouses, or (3) most IRAs ("ERISA Plans").

"Plan Asset" Regulations

As discussed below, due to a favorable exemption provided under regulations (the "DOL Regulations"), issued by the United States Department of Labor (the "DOL"), it is expected that the assets of the Company will not be treated, under current law, as "plan assets" of the ERISA plans which purchase Units. However, as further discussed below, if the assets of the Company are considered for whatever reason to be "plan assets" under ERISA, then (a) the fiduciary responsibility standards of ERISA would extend to investments made by the Company; and (b) certain transactions in which the Company might seek to engage might constitute "prohibited transactions" under ERISA and the Code. Furthermore, notwithstanding the DOL Regulations, even if the Company assets are not "plan assets," the responsible fiduciaries of each investing ERISA Plan still must make an independent determination on a case by case basis as to whether the purchase of Units would comply with the fiduciary standards of ERISA and whether the purchase of Units would be considered a "prohibited transaction" under Section 4975(c) of the Code or Section 406(a) of ERISA.

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In 1986, the DOL published as a final regulation Reg. Section 2510.3-101, which describes what constitutes "plan assets" with respect to an ERISA Plan investment in another entity (such as a partnership or corporation) for purposes of Title I of ERISA and Code Section 4975. Unless one of the exemptions provided in the DOL Regulations is met, the assets of a corporation, partnership or other entity in which a Qualified Plan makes an equity investment could be deemed to be assets of the investing plan. This would subject those persons who exercise discretionary control or authority over such entity's assets to certain ERISA fiduciary standards. If a Qualified Plan acquires an equity interest in an entity that is neither a publicly-offered security nor a security issued by certain registered investment companies, its assets include both the equity interest and an undivided interest in each of the underlying assets of the entity, unless (i) the equity interests of certain ERISA Plan investors are not significant or (ii) the entity is an operating company. The Units will be neither publicly-offered nor issued by a prescribed investment company. Thus, one of the two exceptions must apply in order for an undivided interest in the assets owned by the Company not to be treated under the DOL Regulations as a plan asset of Qualified Plans or ERISA Plans holding Units.

Exception for Insignificant Participation by Benefit Plan Investors

If Unit participation in the Company by Qualified Plans is not significant, then a Qualified Plan investment would not include any of the underlying assets of the Company. Equity participation in the Company by a Qualified Plan is "significant" on any date if, immediately after the most recent acquisition of any interest in the entity, 25% or more of the value of any class of equity interests in the Company is held by Qualified Plan investors. For purposes of this 25% rule, the value of any equity interests held by a person (other than a benefit plan investor) who has discretionary authority or control over the assets of the entity, or who provides investment advice for a fee with respect to such assets, or any Affiliate of such a person, shall be disregarded. As a result, although the Managing Member and their Affiliates are not prohibited from purchasing Units, any purchases have the effect of reducing the amount and value of the Units available for purchase by the Qualified Plan investors. The Units will be offered for sale to benefit plans, within the regulatory definition, and to persons not falling within such definition. If the total Units purchased by benefit plan investors equal or exceed 25% of all of the Units purchased (excluding certain Units as described above), the second exception will not be applicable.

For these reasons, the Company has elected to limit the sale of Units to benefit plan investors to less than 25% of all Units purchased (excluding certain Units as described above).

Prohibited Transactions Under Section 4975 of the Code

Notwithstanding the exemption available under section 2510.3-101 of the DOL Regulations discussed above, and the likelihood that the Company's assets would not be considered "plan assets," a fiduciary of an investing Qualified Plan in Units is still subject to the prohibited transaction rules of Code Section 4975 (and ERISA Section 406(a) for ERISA Plans). If the Service determines that an investment in the Units constitutes a prohibited transaction, an excise tax may be imposed on any disqualified person (as defined in Section 4975(e)(2) of the Code) who participates in the prohibited transaction. Furthermore, the transaction may have to be reversed. With respect to IRAs, the tax-exempt status of the IRA will be lost if the Service determines that the acquisition of Units by the IRA constitutes a "prohibited transaction" under 4975(c) of the Code.

Prohibited transactions are defined in Section 4975(c) of the Code and Section 406(a) of ERISA. These prohibitions are imposed upon fiduciaries and parties in interest to deter them from exercising the authority, control or responsibility which makes such persons fiduciaries when they have interests which may conflict with the interest of the plans for which they act. **AS A RESULT, EACH FIDUCIARY OF AN INVESTING QUALIFIED PLAN INVESTING IN UNITS MUST INDEPENDENTLY DETERMINE WHETHER SUCH INVESTMENT CONSTITUTES A PROHIBITED TRANSACTION UNDER SECTION 4975(c) OF THE CODE OR SECTION 406(a) OF ERISA.**

PLAN OF DISTRIBUTION

We are offering to sell up to 100 Units (expandable to 120) of Preferred Membership Interest in the Company (the "Units") at a price of \$16,750 per Unit. No minimum number of Units need to be sold prior to funds being used to pursue our objectives. The Offering will begin on the date on the cover of this Memorandum and shall continue for 180 days (the "Closing Date") unless all of the Units are sold prior to such time or unless we elect to close the Offering on an earlier or later date. We reserve the right to close this Offering at any time without notice. We also reserve the right to amend or

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supplement this Memorandum from time to time including, but not limited to, causing an increase in the number of Units, an increase in the price per Unit, etc.

The minimum subscription is 2 Units (\$33,500), although we may elect to waive this minimum requirement and/or accept fractional Unit subscriptions in our sole discretion.

The Offering is being conducted pursuant to Section 4(2) and/or Rule 506 of Regulation D under the Securities Act of 1933, as amended, and pursuant to applicable state laws that provide an exemption for limited private offerings. This Offering is not available to the public nor may any offers be made in states or jurisdictions that do not recognize such an exemption. No underwriter, broker or dealer has been retained or is under any obligation to purchase any Units.

ESTIMATED USE OF PROCEEDS

The following table summarizes the estimated use of proceeds from this Offering. Inasmuch as it is impossible to predict exact costs and the expenses necessary to conduct the business of the Company, actual expenditures could vary substantially and materially from the following estimated use of proceeds. The Company reserves the right to materially modify this proposed allocation at any time in light of changing facts and circumstances or market conditions in its sole and absolute discretion.

	Maximum (\$) (100 Units)		Expanded Maximum (\$) (120 Units)	
	Dollar Amount	Percent of Capital Contributions	Dollar Amount	Percent of Capital Contributions
<i>Sources of Proceeds</i>				
Capital Contributions of Preferred Members	\$1,675,000	100.00%	\$2,010,000	100.00%
<i>Estimated Use of Proceeds</i>				
Acquisition equipment, machinery and related assets for processing plant, and general working capital (1)(2)(3)(4)(6)	\$1,675,000	100.00%	\$2,010,000	100.00%
<i>Total Proceeds</i>	\$1,675,000	100.00%	\$2,010,000	100.00%

FOOTNOTES:

(1) Utilized to acquire equipment and other assets for our intended processing plant.

(2) May include other expenses in connection getting the processing plant up and running, such as, due diligence, administration, travel, shipping, transportation, professional fees, office overhead, salaries or other compensation, market research, brokerage, legal, tax, title, escrow, recording, accounting, printing, mailing, etc.

(3) The Company's Managers, our Managing Member and/or their Affiliates, including our Key Personnel, consultants, or other persons will be paid compensation in connection with their management of Company affairs. Such persons are also eligible for reimbursement for general and administrative costs and expenses, due diligence, market research, and other costs in connection with the pursuit of the Company's objectives. See "Compensation".

(4) The Units will be placed by the Company's management who will not receive remuneration in connection with such activities. However, the Company may utilize the services of third-party placement agents, FINRA broker-dealers, investment bankers, finders, and/or others who may charge a fee in connection with the placement of Units.

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(5) The Offering may be expanded up to 120 Units (\$2,010,000 (the "Expanded Maximum")) in the Managing Member's sole discretion. Such action may have a dilutive effect on your interest in the Company's underlying assets, revenue, etc. No minimum number of Units need be sold for the Offering to proceed.

(6) May be paid to Affiliates of the Managing Member.

At this stage, it is impossible to predict exact costs or amounts of capital that will be allocated or expended in the pursuit of our objectives. Actual expenditures will likely vary substantially from the foregoing estimates. Also, since we are in the early stages of our plan, and because we have yet to acquire any Interest, it is not possible at this time to approximate with absolute certainty the amount that will be spent on certain items. Other costs, such as accounting and legal fees, administrative, printing and distribution costs, may change without notice.

BUSINESS PLAN

The Company's Objectives

The Company was formed to provide efficient and cost effective ore processing services for local gold and silver placer mines. We intend to acquire equipment and machinery that utilize the latest advances in gold and silver ore processing technologies such as electrostatic separation.

The primary objectives of the Company are to:

- Acquire one or more high tension separators;
- Place such equipment into operation servicing local active mining operations for gold, silver, and/or other precious metals pursuant to contracts; and
- Distribute the Company's revenue from such activities to the Members in accordance with the Operating Agreement.

There can be no assurance these objectives will be achieved.

Arizona Ore Processing Market

We believe a strong demand exists for efficient, cost effective ore processing services in the State of Arizona and its environs. Local placer mine operators often lack the proper equipment and technology to effectively process extracted ore to maximize production levels of gold and other precious metals. We intend to fill this gap by contracting with such operators to process their ore.

Electrostatic Separation Technology

We intend to acquire and operate equipment that features electrostatic separation technology (also known as "high tension" separation). This technology is believed to be more friendly to the environment than other processes which often employ harsh chemicals. Electrostatic separators use the charging and de-charging of particles for the selective separation of conductive and non-conductive materials. Separation occurs when the different product components of the product feed lose their charge at different speeds. The ore mixture to be separated is fed onto a rotating drum with vibratory feeder and is then electrostatically charged using high voltages. As a result of this charging, the particles "stick" to the drum's surface due to electrostatic effects. With the rotation of the separation drum the particles are then taken out of the electrostatic field and are discharged. Metallic particles, such as gold and other precious metals, lose their charge very quickly and fall off the separation drum. The resulting "super concentrated" dried ore can then delivered to a refinery to be efficiently refined into gold and silver bullion.

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Planned Initial Operations

We are presently negotiating a contract to process up to 30,000 tons of ore from a local placer gold ore deposit in the Phoenix area as soon as we have our equipment in place and operational. We intend to conduct operations in leased facilities in an industrial area of Phoenix, Arizona, in relative proximity to the placer mine.

NOTE: DUE TO THE PROPRIETARY NATURE OF OUR BUSINESS PLAN, WE HAVE ELECTED TO PLACE ONLY SELECTED DUE DILIGENCE INFORMATION IN THIS MEMORANDUM. YOU ARE ENCOURAGED TO ARRANGE A MEETING WITH THE COMPANY'S MANAGEMENT TO REVIEW FURTHER DETAILS. IN CERTAIN CASES, A NON-DISCLOSURE / NON-CIRCUMVENTION AGREEMENT MUST BE SIGNED BEFOREHAND.

FIDUCIARY RESPONSIBILITY OF THE MANAGING MEMBER

The Managing Member will be accountable to the Company as a fiduciary and consequently will be required to exercise good faith and integrity in handling Company affairs. This is a rapidly developing and changing area of the law, and Preferred Members that have questions concerning the duties of the Managing Member should consult their own counsel. The Operating Agreement provides that the Managing Member will not be liable to the Company or to the Class A Preferred Members for any act or omission performed or omitted by it except for acts or omissions arising out of gross negligence or willful misconduct, and that the Company will indemnify the Managing Member and its Affiliates and each of their directors, officers, managers, employees and agents for any liability suffered by them arising out of their activities in connection with the Company, except for liabilities resulting from gross negligence or willful misconduct. Accordingly, the Preferred Members may have a more limited right of action than would otherwise be the case absent such provisions. On the other hand, in the opinion of the Securities and Exchange Commission (the "Commission"), indemnification for liabilities arising under the Securities Act of 1933, as amended (the "Act"), is contrary to public policy and therefore may be unenforceable.

CONFLICTS OF INTEREST

The structure and proposed method of operation of the Company create certain inherent conflicts of interest between the Company and the Managing Member and its Affiliates. Certain restrictions have been provided in the Operating Agreement that are designed to protect the interests of the Preferred Members in this regard. Notwithstanding, the Company will be subject to various conflicts of interest arising out of its relationships with the Managing Member and its Affiliates.

Competition with Affiliates

The Managing Member and its Affiliates may act as general partner or Manager of other currently operating entities or ventures which have interest in gold processing related concerns. The Managing Member and its Affiliates also may acquire or develop gold ore processing plants for their own accounts, and have done so in the past. Furthermore, the Managing Member and its Affiliates intend to form additional gold processing entities in the future, whether public or private, which may have the same investment objectives and policies as the Company and may be involved in the same geographic area as the Company's. Also, the Managing Member may be engaged in sponsoring one or more of such entities at approximately the same time as the Units are being offered. In addition, the Managing Member may form one or more entities to acquire interests contiguous to the Interest owned by the Company. Accordingly, the Company may compete with Affiliates in connection with the operation of ore processing plants. The Operating Agreement expressly provides that neither the Managing Member nor its Affiliates will be obligated to present to the Company any particular opportunity which comes to their attention, even if such opportunity is of a character which might be suitable for acquisition, development, or investment by the Company. Any affiliated entity, whether or not currently existing, could compete with the Company in the ore processing business. The Managing Member will seek to achieve any operating efficiency or similar savings which may result from affiliated management of competitive interests. Therefore, the Company may benefit from an Affiliate's operations in any adjacent or nearby ore processing plant.

Provisions by Affiliates of services to the Company or to persons dealing with the Company

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The Managing Member and its Affiliates will not be prohibited from providing services to, and otherwise dealing or doing business with, the Company or Persons that deal with the Company.

Competition by the Managing Member with other companies and activities for management services

The Managing Member believes that it will have sufficient time to discharge fully its responsibilities to the Company and to other business activities (including other limited partnerships or limited liability companies) in which it is or may become involved. The Company will not have independent management and will rely on the Managing Member for its management and operation. The Managing Member and its Affiliates, however, are engaged in substantial other business activities apart from the Company. Accordingly, the Managing Member will devote only so much of its time to the business of the Company as is reasonably required in its sole judgment. The Managing Member and its Affiliates will have conflicts of interest in allocating management time, services and functions among the Company and any other partnerships it or they have organized or may organize in the future, as well as among the Company and other business ventures in which it or they are or may become involved.

Compensation and Reimbursements Irrespective of Company Profitability

The Company's Managers, the Managing Member and/or their affiliates will be paid compensation in connection with their management of Company affairs. For example, our Managing Member, in consideration of its management and involvement with the Company, receives 30% of the Company's Gross Revenue before expenses (See the Operating Agreement). The Managing Member and its Affiliates are also eligible for reimbursement for general and administrative costs and expenses, due diligence, marketing, and other costs in connection with the pursuit of the Company's objectives (See "Estimated Use of Proceeds" and "Compensation"). Consequently, such persons may realize profits or monetary income from the operation of the processing plant irrespective of whether the Company generates Net Revenue or whether Preferred Members realize a return on their capital contributions.

Sale of Processing Plant

The Managing Member, in its sole discretion, will have the right to sell the processing plant and/or related equipment on an exclusive or other basis, and either it or its Affiliates may be compensated for facilitating such a transaction. Such may provide the Managing Member with an incentive which is not shared by the Preferred Members to sell the processing plant and/or related equipment. Transaction-based fees paid to the Managing Member or its Affiliates would be taken into account in determining the purchase price of processing plant so that the economic effect to the Company would be essentially equivalent to an average brokerage commission paid directly by the Company to a third party.

Legal Representation

Legal counsel to the Managing Member and certain of its Affiliates also may serve as legal counsel to the Company. In the event that any controversy arises following the termination of the Offering in which the interests of the Company appear to be in conflict with those of the Managing Member or the Preferred Members, it may be necessary to retain other counsel for one or both of these parties.

Non-Arm's Length Agreements

Certain agreements and arrangements, including those relating to compensation between the Company and the Managing Member and its Affiliates, have been established by the Managing Member and are not the result of arm's length negotiations.

Purchases of Units by Managing Member or its Affiliates

The Managing Member or its Affiliates may purchase Units on the same terms and conditions as other investors, net of commission and other fees, if any. The Managing Member or its Affiliates will have all of the rights and powers of Preferred Members with respect to any such Units so purchased. Accordingly, the Managing Member may have a conflict of interest with respect to Company decisions if it purchases Units because of its dual capacity as both a Manager and a Preferred Member of the Company. The Managing Member may not vote any Units it owns with respect to the election of a

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successor Tax Matters Partner or successor Manager. Further, any vote of the Preferred Members to remove the Managing Member for cause shall exclude the vote of any Units owned by the Managing Member.

Tax Matters Partner

Pursuant to the Operating Agreement, the Managing Member is designated as the "tax matters partner" of the Company and is authorized and empowered to act independently and exclusively on behalf of the Company and the Members with respect to tax audits or tax litigation arising from or in connection with all "partnership items" within the meaning of the Code. Acting in such capacity, the Managing Member will be in a position to enter into agreements with the Internal Revenue Service pursuant to which the Managing Member's and the Preferred Members' personal tax liabilities will be affected. Accordingly, a conflict of interest may arise with respect to the Managing Member's representation of the Company.

Policies With Respect to Conflicts of Interest

Competition by Affiliates. The Managing Member and its Affiliates will be free to compete with the Company, including the right to own or develop processing plants that may compete, directly or indirectly, with the processing plant developed by the Company.

Transactions with Affiliates. The Managing Member's policy is that the terms on which the Company's relationships are conducted with the Managing Member or any of its Affiliates or Persons employed by the Managing Member or its Affiliates will be fair to the Company as disclosed in this Memorandum or on terms and conditions no less favorable to the Company than can be obtained from independent third parties for comparable services in the same location.

KEY PERSONNEL & CONSULTANTS

The following persons serve as Managers of the Company (and/or principals of our Managing Member) or provide consulting services to the same. In addition to these persons, we may retain other professionals from time to time as deemed necessary to achieve our objectives.

Terry Hepler – Operations Manager

Mr. Hepler developed a reputation as an energetic entrepreneur soon after moving to Hawaii in 1978 as co-founder of the Menchune Water Company, now the largest bottled water company in Hawaii. In 1991 he served as President of the Paradise Rent to Own, which at their peak operated seven stores island-wide, before being sold to a national rent to own chain in 1995. He then served as President of Dollar Mania Hawaii, a subsidiary of Bargain Products Inc., a publicly traded company until joining GTE Directories in 1997. He was recognized as the top sales executive at GTE Directories for three years winning the prestigious President's Award, and the National Hall of Fame for recognition as a member of The 200% Sales Club. In 2000, he co-founded Paradise Media Group, an independent Yellow Pages Directory publisher in Honolulu, Hawaii. With over 40 employees and multi-million dollar sales, Paradise Pages soon became a powerful influence in the Hawaii advertising market. Mr. Hepler sold his shares to pursue other opportunities in the alternative energy and water purification industries. Today, Mr. Hepler has expanded his interests to the development of silica sand and precious metals processing. He has acquired new technologies that allow for the safe and chemical-free extraction of valuable natural elements with applications in the solar, telecommunications and IT industries.

David H. Mangum, M.B.A – Engineer

Mr. Mangum served as a Registered Professional Engineer for over 29 years for many energy and mining companies, including several Fortune-100 Companies (Mobil, Shell, Tenneco, and Coastal). He founded several successful engineering and geological service companies, including ERCO, a 30-year-old consulting company. Prior to forming Gold Mining Exchange LLC, Mr. Mangum helped with the funding of gold mining operations in Alaska, New Mexico, and the Philippines. Other mining experience was gained by serving as Project Manager of a \$125 Million Coastal-Getty mining operation in Utah. Internet experience was gained when he was the Chairman of Houston's oldest Internet Service Provider and also when he served as an Intelligence Officer in USAF Strategic Air Command. Mr. Mangum attended Mississippi

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State University (Geology), University of Houston, Texas A&M University, and Oklahoma City University. He also earned a B.S. in Engineering from the University of Texas-Austin and a Presidential MBA from Pepperdine University.

Charles L. Robertson – Business Development Manager

Mr. Robertson has 25 years of experience creating financial partnerships between capital providers and quality projects. Originally, he began as a golf professional after he graduated high school. However, an accident stopped his golfing career. As his interests then moved into marketing and the financial investment industry, he discovered he had a unique ability in finding valuable business development opportunities. In addition to his current role as President of Gold Mining Exchange LLC, Mr. is also serving as Vice President of Business Development for The Energy Exchange, Inc., the oldest multiple listing service in the petroleum industry, of which Gold Mining Exchange LLC is an affiliate.

Darin H. Mangum, Esq. – General Counsel

Mr. Mangum has over 20 years experience in business and venture finance. His experience ranges from practicing attorney to executive and boardroom responsibilities. He is the managing member of Darin H. Mangum PLLC, a boutique business law firm with offices in Texas and Utah, and its sister law firm Mangum & Associates PLLC which handles trust work and public company reporting issues. Mr. Mangum also serves as a principal and on the board of directors of various oil and gas concerns, including Momentum Petroleum LLC (The Woodlands, Texas) and Southern Star Resources LLC (Enid, Oklahoma). He also serves as a principal and board member of Southern Star Regional Investment Center LLC, a pending oil-and-gas-focused USCIS "regional center" applicant based in The Woodlands, Texas, and Mid-American Retirement Communities LLC, an Indianapolis-based developer of senior care facilities. His law practice includes oil and gas law, real estate, corporate finance, mergers and acquisitions, and securities law compliance. His clients include private issuers, start-up companies, FINRA broker/dealers, venture capitalists, and individual entrepreneurs. Mr. Mangum received his law degree from Brigham Young University and he is an active member of both the Texas State Bar and Utah State Bar.

Other Consultants

We may negotiate consulting agreements with engineers, geologists, miners, managers, realtors, mortgage bankers, surveyors, appraisers, analysts, investment advisors, accountants, money managers, accountants, attorneys, risk managers, brokers, dealers, statisticians, computer technicians, bankers, consultants, etc. We may also enlist the services of other professionals if deemed in the best interest of the Company.

COMPENSATION

The Company's Managers, the Managing Member and/or their affiliates will be paid in connection with their management of Company affairs. Such persons are also eligible for reimbursement for general and administrative costs and expenses, due diligence, market research, and pre-acquisition research costs in connection with the pursuit of the Company's objectives (See "Estimated Use of Proceeds"). Managers of the Company and affiliates of the Managing Member may receive salaries or other forms of compensation out of the proceeds of this Offering or the Company's revenue, capital, or other Company assets for services performed on behalf of the Company. Such services may include, but are not limited to, legal, accounting, investor relations, communications, administrative support, etc. See "Certain Relationships and Conflicts of Interest". In addition, pursuant to the Operating Agreement, our Managing Member is entitled to receive 30% of the Company's Gross Revenues (i.e., revenues before expenses).

The Managing Member and their respective affiliates shall be entitled to reimbursement out of any gross proceeds, revenue, assets, or working capital for all expenses, disbursements, and advances incurred or made, and all fees, deposits, and other sums paid on the Company's behalf.

The Company's Managers, the Managing Member and/or their affiliates shall be paid and/or reimbursed at any time and from time to time for all costs and expenses that they incur on behalf of, or in the management and operation of the business of, the Company, including, but not limited to, that portion of the Managing Member's and their respective Affiliates' legal and accounting costs and expenses, telephone, secretarial, travel, and entertainment expenses, brokerage and professional consultant costs, office rent and other office expenses, salaries and other compensation expenses of employees, agents, and representatives, and other general, administrative, and additional expenses for the conduct of the

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Company's business and allocable to the Company. The Managing Member shall determine the expenses that are allocable to the Company in its sole discretion.

CERTAIN RELATIONSHIPS AND CONFLICTS OF INTEREST

As discussed elsewhere in this Memorandum, the Company is subject to various conflicts of interest arising out of the relationship between the Managing Member and the Preferred Members.

For example, as discussed above, the Company's Managers shall receive compensation (30% of the Company's Gross Revenues) regardless of whether the Company generates a profit.

Furthermore, it is expected that the Company and its affiliates will employ or retain the same investment advisors, consultants, bankers, attorneys, accountants, and other advisors as may be employed by the Managing Member and their affiliates. In some cases, such advisors may be representing the Company and the Managing Member at the same time, which could result in conflicts of interest and lack of independent review.

Charles Robertson and David Mangum are business partners in various oil and gas ventures unrelated to the Company. Darin Mangum, who serves as counsel to the Company and our Managing Member, is the son of David Mangum.

Also, since the Managing Member holds 100% of the Company's voting equity, the ability of the Preferred Members to exercise any degree of control whatsoever will be severely limited. Furthermore, it is contemplated and expected that our Managing Member, Managers and their affiliates may engage in other business activities, investments, or ventures and will only be devoting such time as may be necessary to conduct the business of the Company. Such persons may have conflicts of interest in allocating time, services and functions among the Company and other present and future ventures they may organize or be affiliated with. Our Managers and Managing Member may engage for their own account, or for the account of others, in other business ventures without obligation to the Company or to the holders of Units.

PRIOR ACTIVITIES

Potential investors interested in obtaining further information as to the status of any prior activities or experience of our Key Personnel should arrange to ask questions of and receive answers from the Managing Member. As for the Company and our Managing Member, both are newly formed entities and have only engaged in nominal business activities to date.

COMPANY MANAGEMENT

Management of Company business operations

The day-to-day affairs of the Company are controlled and directed by the Company's Managers. In the event of the resignation, bankruptcy, or incapacity of a Manager, a successor or succeeding Manager shall be nominated by the Managing Member. Except in limited circumstances, the Preferred Members have no voting rights nor do they have any degree of control over management of the Company's business affairs or operations. (See "Company Structure & Ownership" and "Certain Relationships and Conflicts of Interest").

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Control of the Company

The Company is ultimately controlled by our Managing Member who holds all of the voting equity interest of the Company. Ultimate control over the business affairs, policies, and actions of the Company reside with the Managing Member as expressed via vote or written consent to appoint, retain, or remove Company Managers.

Although the Preferred Members hold a preferred position in the Company with respect to both liquidation preference and allocation of revenue, capital or other disposition of Company assets until the occurrence of a Redemption Event, they will not participate in the conduct of day-to-day operational decisions unless appointed as a Manager pursuant to delegated authority from the Managing Member or elected by the Managing Member in accordance with the Operating Agreement. Except as modified by the Operating Agreement, as a Preferred Member you will have all of the customary rights of a member of a limited liability company in accordance with Arizona law (See "Description of Securities").

Management and coordination; Indemnification

It is the duty of the Managing Member to carry out the expressed purpose and objectives of the Company, including coordination and communication with and between the Members and the various tasks associated with being a Manager of a limited liability company pursuant to our Operating Agreement. The Managing Member shall exercise its best efforts and their ordinary and customary business judgment and practices in managing the affairs of the Company. The Managing Member shall not be liable or obligated to the Members for any mistake of fact or judgment made in operating the business of the Company which results in any loss to the Company or the Members. Neither the Managing Member nor its Managers nor other personnel guarantee the return of the Preferred Members' capital or the return of a profit from the operations of the Company, nor shall the Managing Member or its Managers be responsible to any Preferred Member because of a loss of his capital contribution or a loss in operations, unless it shall have been occasioned by fraud or wrongful taking by the Managing Member or their Affiliates.

Subject to the specific provisions of the Operating Agreement, the Managing Member has the power and authority to take such actions deemed necessary, appropriate, customary or convenient in regard to normal management activities and the conduct of the daily business operations and affairs of the Company, including the following:

1. The Managing Member will act, first and foremost, to endeavor with their best efforts, skill, and management abilities to secure for the Company the most desirable terms, prices and conditions and to employ reasonable business acumen, judgment and understanding to elicit business relationships with persons who exhibit both competence and high standards of business ethics and morals.
2. The Managing Member will either disburse funds for the employment and retention of contract personnel or otherwise secure, on behalf of the Company, services involving secretarial and clerical help, legal counsel, telephones, investor relations, accounting, computers, art, printing, technical evaluation and other related activities, on such terms and at such prices as it finds acceptable.
3. If deemed necessary, the Managing Member shall contract marketing consultants whose function will be to present the merits of the Company's stated purposes and proposed activities to prospective Preferred Members or other investors who have expressed an interest in same and have requested that such information be made available to them.
4. The Managing Member or their designated liaisons shall attempt to communicate with the Members on a timely basis in regard to any news, events, situations, opportunities or problems which have or which may have an effect upon the business condition of the Company, so that, if needed, appropriate action may be taken to safeguard or advance the interests of the Company.
5. The Managing Member may take any and all other actions related to the acquisition, ownership, development, improvement, management, leasing or disposition of Company assets and personal or mixed property incidental thereto.
6. The Managing Member will conduct normal financial transactions, including, but not limited to, the opening of bank accounts and keeping of balances, the issuance of checks for expenses, cash payout, revenue

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distributions, space lease negotiation, and other normal business transactions.

Books and records

The Company shall keep just and true books of account and all other Company records at the principal place of business or in some other suitable location and shall make these books and records available to all Members at any time during normal business hours. The books and records shall include, but shall not be limited to, the designation and identification of any property (real, personal, and mixed) in which the Company owns a legal or beneficial interest, any property for which the title has been recorded or is maintained in the name of the Company, etc.

The Company will, on an annual basis, furnish to each Member with information reasonably necessary to complete their federal and state income tax forms, including statements of the net distributable income or loss to each Preferred Member from the operations of the Company. Any of the above duties and services shall be deemed an expense of the Company.

Accounting

The Company will retain accountants to provide each Member with all information reasonably necessary to file their income tax return. An individual IRS Form K-1 will be issued to each Member within a reasonable time after year-end.

Bank accounts

Subscriptions for Company Units shall be placed in an account controlled by the Company. Checks shall be drawn upon the Company account or accounts only for purposes of the Company and shall be signed by a Manager or a Company-authorized agent.

Reports to the Members

Although not required by law, the Company will endeavor to furnish Members with periodic status reports as deemed necessary but not less frequently than annually. During special situations or periods of heightened activity, reports may be issued on a more frequent basis as appropriate. The Company will maintain records of operations and make them available to each Member upon request.

DESCRIPTION OF SECURITIES

The following statements summarize your rights and privileges as a Preferred Member of the Company and a holder of the Company's Class A Preferred Units. Such rights differ from that of the Managing Member and are also described in more detail in the Operating Agreement and elsewhere in this Memorandum. The following summary, including discussions located elsewhere in this Memorandum, does not purport to be complete and is subject to applicable provisions of the Arizona Limited Liability Company Act, as amended (the "Act"), and is qualified in its entirety by the terms of the Operating Agreement.

Units of Class A Preferred Membership Interest

The Company is a limited liability company ("LLC") organized under the Act. Each Unit offered hereby represents a Class A Preferred Membership Interest in the Company.

Upon acceptance of your subscription for Units, you will be admitted as a Class A Preferred Member of the Company as provided in our Operating Agreement or amendments thereto. As a Preferred Member, the Act provides that you are not personally liable for the debts of the Company, but are liable only to the extent of your investment in the Company, and not more.

You also are entitled to receive information pertaining to the Company's affairs although no voting rights are conceded (as they are vested completely with the Managing Member).

ARIZONA GOLD PROCESSING LLC
CLASS A PREFERRED UNITS
CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM

Class A Preferred Sharing Arrangement

Distributions of Company Net Revenue², capital, and other disposition of Company assets are allocated as follows per the Operating Agreement:

- First, 100% to the Class A Preferred Members (0% to the Managing Member) until the Preferred Members have realized 100% of their Capital Contribution;
- Thereafter, 75% to the Class A Preferred Members (25% to the Managing Member) until the Preferred Members have realized 200% of their Capital Contribution;
- Thereafter, 50% to the Class A Preferred Members (50% to the Managing Member) until the Preferred Members have realized 500% of their Capital Contribution (a "Redemption Event");
- Upon the occurrence of a Redemption Event (i.e., Preferred Members' realizing a 5 to 1 cash on cash return on their Capital Contribution) the Preferred Members' Units in the Company shall be automatically redeemed in consideration of cash already received at which time their Membership Interest in the Company shall end.

"Charter" Preferred Member Incentive

Until 5:00 P.M. Pacific Time on January 31, 2012, and until 21 Units are sold, in order to finalize our contract negotiations and commence the acquisition of production equipment as rapidly as possible, our Managing Member is offering to exercise its discretion and waive the automatic redemption clause in the Company's Operating Agreement for subscribers of at least three (3) Units in this Offering (\$50,250). Such "charter" Preferred Members would be thus eligible to continue to receive distributions pro-rata to their membership interest indefinitely for the life of the Company and would not be subject to a Redemption Event.

For a more detailed treatment of the rights and duties of Preferred Members and the Managing Member, please refer to the Operating Agreement included in the Exhibit section of this Memorandum.

COMPANY STRUCTURE & OWNERSHIP

The following table sets forth certain information regarding the beneficial ownership of the Company's two different classes of equity Membership Interest, shown in percentages.

	Prior to Offering		After Offering	
	Managing Membership Interest	Preferred Membership Interest	Managing Membership Interest	Preferred Membership Interest
AZGO LLC	100%	0%	100%	0%
New Subscribing Preferred Members	0%	0%	0%	100%

DILUTION

"Dilution" represents the difference between the offering price of an equity security and the net book value of such security. "Net book value" is typically the amount that results from subtracting the total liabilities of a company from its total assets. The Company's net book value (unaudited), as of December 5, 2011, is essentially zero (\$0) (see the Exhibit section of this Memorandum) or \$0.00 per Unit, and requires capitalization from the Preferred Members via this Offering. Thus you will

² Net Revenue is defined as 70% of Gross Revenue, less actual expenses. 30% of Gross Revenue is allocated to our Managing Member, AZGO LLC.

ARIZONA GOLD PROCESSING LLC
CLASS A PREFERRED UNITS
CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM

suffer an immediate dilution of approximately \$16,750 per Unit you purchase in this Offering. If all of the Units offered hereby are sold, giving effect to the receipt of the estimated net proceeds of this Offering (\$1,675,000), our net book value in that case, assuming no change in our balance sheet and before expending costs associated with the Offering, would be approximately \$1,675,000 or approximately \$16,750 per Unit, in which case you would experience dilution of approximately (\$0) per Unit you purchase in this Offering. Also, the Company may issue any number of Units to finance its operations and activities. Such an event may cause a dilutive effect on your membership interest in the Company.

TRANSFERS OF INTEREST

Restrictions on transfers

Except as otherwise provided in the Operating Agreement, no Member may sell, assign, transfer, encumber or otherwise dispose of their Units or any interest in the Company without the express prior written consent of the Managing Member. Any such prohibited transfer, if made, shall be void and without force or effect, and any attempt by any Member to dispose of his interest in violation of this prohibition shall constitute a material breach of the Operating Agreement.

Redemption Event

Unless waived in the Managing Member's sole discretion, upon the Class A Preferred Members' realization of a 5 to 1 cash on cash return on their Capital Contribution (i.e., a "Redemption Event" per the Operating Agreement) the Class A Preferred Members' Units in the Company shall be automatically redeemed in consideration of cash already received at which time their Membership Interest in the Company shall end.

We also may compulsorily redeem the Units of any investor at any time to ensure compliance with securities laws or for any other reason.

However, the Units are not liquid. Absent a Redemption Event or the election of the Company to redeem, the Preferred Members may be required to hold the Units for at least one (1) year or perhaps an indefinite period of time.

LEGAL PROCEEDINGS

In 2011, certain of our Key Personnel and/or their Affiliates (the "parties") were named as respondents in administrative proceedings initiated by the Pennsylvania Securities Commission (the "PSC") and the Utah Division of Securities (the "UDS"), alleging that violations of state securities laws occurred in connection with offerings unrelated to the Company. Rather than take issue with the PSC and UDS claims, the parties believe these matters will be settled within the next few months without admitting or denying their allegations. Certain of such parties are also cooperating in an unrelated informal investigation currently being conducted by the Securities and Exchange Commission into matters unrelated to the business of the Company. The Company does not believe the outcome of these matters will have a material adverse effect upon the Company's prospective activities and is presently unaware of any other material legal proceedings, regulatory or otherwise, that would do so.

DESCRIPTION OF PROPERTY

As of the date on the cover of this Memorandum, we own no property. The Company's offices are co-located with those of our Managing Member at 2575 E. Camelback, Suite 450, Phoenix, Arizona 85016. We currently plan to lease industrial space for the processing plant at 1702 East University Drive in Phoenix, Arizona.

EXPERTS

Our financial statements have not been audited and have been prepared by the Company. These statements can be found in the Exhibit section of this Memorandum.

ARIZONA GOLD PROCESSING LLC
CLASS A PREFERRED UNITS
CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM

DEFINITIONS

Capitalized terms as used throughout this Memorandum, together with other terms related to the Company's business activities, are set forth in Article II of the Operating Agreement which is incorporated herein by reference. See the Exhibit Section of this Memorandum.

WHERE TO OBTAIN MORE INFORMATION

Throughout this Memorandum, reference is made to certain information either not contained in this document or else attached hereto by way of exhibit. If you or your advisors would like additional information regarding the Company or our objectives, please call us at (602) 343-7500.

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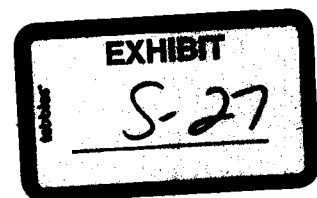
ARIZONA GOLD PROCESSING LLC
CLASS A PREFERRED UNITS
CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM

EXHIBIT A
FINANCIAL STATEMENTS

ARIZONA GOLD PROCESSING LLC

2575 E. Camelback, Suite 450
Phoenix, Arizona 85016 USA
Telephone: (602) 343-7500

*This section alone does not constitute an offer to sell Unit(s) in the Company.
An offer may be made only by an authorized representative of the Company and the recipient must receive a complete
Memorandum including all Exhibits.*



ACC000084
FILE #8331

ARIZONA GOLD PROCESSING LLC
CLASS A PREFERRED UNITS
CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM

BALANCE SHEET
(unaudited)

FOR

ARIZONA GOLD PROCESSING LLC

(a development stage company)

as of November 30, 2011

ASSETS

Current Assets

Checking/Savings	0.00
Total Checking/Savings	<u>0.00</u>

Other Current Assets

Accrued Interest	
Receivable	0.00
Loans	<u>0.00</u>
Total Other Current Assets	<u>0.00</u>

Total Current Assets	<u>0.00</u>
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TOTAL ASSETS	<u>0.00</u>
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LIABILITIES & EQUITY

Equity

Managing Member	0.00
Preferred Members	0.00
Retained Earnings	0.00
Distributions of Revenue	0.00
Net Income	<u>0.00</u>
Total Equity	<u>0.00</u>

TOTAL LIABILITIES & EQUITY	<u>0.00</u>
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ACC000085
FILE #8331

ARIZONA GOLD PROCESSING LLC
CLASS A PREFERRED UNITS
CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM

INCOME STATEMENT
(unaudited)

FOR

ARIZONA GOLD PROCESSING LLC

(a development stage company)

as of November 30, 2011
(since inception)

Ordinary Income/Expense	
Income	
Interest Income	0.00
Total Income	0.00
Gross Profit	0.00
Expense	
Bank Service Charges	0.00
Marketing / Admin. Costs	0.00
Dues and Subscriptions	0.00
Marketing / Printing Costs	0.00
Office Supplies	0.00
Professional Fees	
Accounting Fees	0.00
Legal Fees	0.00
Total Professional Fees	0.00
Total Expense	0.00
Net Ordinary Income	0.00
Net Income	0.00

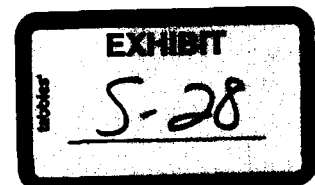
ARIZONA GOLD PROCESSING LLC
CLASS A PREFERRED UNITS
CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM

EXHIBIT B
FORM OF
OPERATING AGREEMENT

ARIZONA GOLD PROCESSING LLC

2575 E. Camelback, Suite 450
Phoenix, Arizona 85016 USA
Telephone: (602) 343-7500

*This section alone does not constitute an offer to sell Unit(s) in the Company.
An offer may be made only by an authorized representative of the Company and the recipient must receive a complete
Memorandum including all Exhibits.*



ARIZONA GOLD PROCESSING LLC
CLASS A PREFERRED UNITS
CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM

OPERATING AGREEMENT
OF
ARIZONA GOLD PROCESSING LLC

THIS OPERATING AGREEMENT (this "Operating Agreement") of ARIZONA GOLD PROCESSING LLC, an Arizona limited liability company (the "Company"), to be effective as of November 30, 2011 (the "Effective Date"), is by and between the Company and AZGO, LLC, an Arizona limited liability company (the "Managing Member"), and the persons whose names are set forth on Schedule A, attached hereto, as Preferred Members (the "Preferred Members") pursuant to the Arizona Limited Liability Company Act, as amended (the "Act"), on the terms and conditions set forth herein. The Managing Member and the Preferred Members shall collectively be referred to as the "Members".

ARTICLE I

GENERAL

1.1. **Formation.** The Company is hereby organized by the Managing Member as a limited liability company pursuant to the provisions of the Act as of the Effective Date hereof. Except as expressly provided herein, the rights and obligations of the Members and the administration and termination of the Company shall be governed by the Act.

1.2. **Name.** The name of the Company shall be, and the business of the Company shall be conducted under the name of, ARIZONA GOLD PROCESSING LLC.

1.3. **Purpose.** The purpose and business of the Company shall be (i) to acquire ore processing equipment; (ii) place such equipment into operation servicing local active mining operations for gold, silver, and/or other precious metals pursuant to contracts; and (iii) distribute the Company's revenue from such activities to the Members in accordance with this Operating Agreement; (iv) to engage in any and all general and incidental activities related thereto and necessary for the operation of such activities for profits or losses; and (v) to enter into any lawful transactions and engage in any lawful activities in furtherance of or incidental to the foregoing purpose.

1.4. **Term.** The term of the Company shall commence on the date the Company was organized under the Act and shall continue thereafter until the dissolution and termination of the Company in accordance with the provisions of Section 7.1 of this Operating Agreement.

1.5. **Registered Office and Designated Office.** The registered and designated office of the Company in the State of Arizona shall be 2575 E. Camelback, Suite 450, Phoenix, Arizona 85016. The Company's initial registered agent for service of process is InCorp Services, Inc., whose address is 2338 W. Royal Palm Road, Suite J, Phoenix, Arizona 85021-9339. The Company may maintain offices at such other place or places and change the registered agent as the Managing Member deems advisable.

1.6. **Certificates.** The Managing Member shall cause the Articles of Organization of the Company to be filed with the Arizona Corporation Commission (the "Commission") as required by the Act and shall cause to be filed such other certificates or documents (including, without limitation, copies, amendments, or restatements of this Operating Agreement) as may be determined by the Managing Member to be reasonable and necessary or appropriate for the formation, qualification, or registration and operation of a limited liability company (or a partnership in which the Members have limited liability) in the State of Arizona and in any other state where the Company may elect to do business.

ARIZONA GOLD PROCESSING LLC
CLASS A PREFERRED UNITS
CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM

1.7. *Power of Attorney.*

- (a) *Grant of Power.* Each Member hereby constitutes and appoints the Managing Member and each of their authorized representatives or Managers (and any successors thereto by assignment or otherwise and the authorized representatives thereof) with full power of substitution as their true and lawful agent and attorney-in-fact, with full power and authority in its name, place, and stead, to execute, swear to, acknowledge, deliver, file, and record in the appropriate public offices, as applicable or appropriate: (i) all certificates and other instruments and all amendments or restatements thereof that the Managing Member deems reasonable and appropriate or necessary to qualify or register, or continue the qualification or registration of, the Company as a limited liability company (or a partnership in which the Members have limited liability) in all jurisdictions in which the Company may conduct business or own property; (ii) all instruments, including an amendment or restatement of this Operating Agreement, that the Managing Member deem appropriate or necessary to reflect any amendment, change, or modification of this Operating Agreement in accordance with its terms; (iii) all conveyances and other instruments or documents that the Managing Member deem appropriate or necessary to reflect the dissolution, liquidation and termination of the Company pursuant to the terms of this Operating Agreement; (iv) all instruments relating to the admission or substitution of any Member; (v) all ballots, consents, approvals, waivers, certificates, and other instruments appropriate or necessary, in the sole discretion of the Managing Member, to make, evidence, give, confirm, or ratify any vote, consent, approval, agreement, or other action that is made or given by the Members hereunder, is deemed to be made or given by the Members hereunder, or is consistent with the terms of this Operating Agreement and appropriate or necessary, in the sole discretion of the Managing Member, to effectuate the terms or intent of this Operating Agreement; provided that, with respect to any action that requires the vote, consent, or approval of a stated percentage of the Members under the terms of this Operating Agreement, the Managing Member may exercise the power of attorney granted in this subsection (v) only after the necessary vote, consent, or approval has been made or given. Nothing herein contained shall be construed as authorizing the Managing Member to amend this Operating Agreement except in accordance with Article VIII of this Operating Agreement or as otherwise provided in this Operating Agreement.
- (b) *Irrevocability.* The foregoing power of attorney is hereby declared to be irrevocable and a power coupled with an interest, and it shall survive, and not be affected by, the death, incompetency, incapacity, disability, dissolution, bankruptcy or termination of any Member, or the transfer of all or any portion of its Membership Interest and shall extend to such Member's heirs, successors, assigns and legal representatives. Each Member agrees to be bound by any representations made by the Managing Member acting in good faith pursuant to such power of attorney; and each Member hereby waives any and all defenses that may be available to contest, negate or disaffirm any action of the Managing Member taken in good faith under such power of attorney. Each Member shall execute and deliver to the Managing Member within 15 days after receipt of the Managing Member's request therefor, such further designations, powers of attorney, and other instruments as the Managing Member deem necessary to effectuate this Operating Agreement and the purposes of the Company.

ARTICLE II

DEFINITIONS

The following definitions shall apply to the terms used in this Operating Agreement and in the Memorandum, unless otherwise clearly indicated to the contrary:

"Act" means the Arizona Limited Liability Company Act, as amended.

"Affiliate" means any Person that directly or indirectly controls, is controlled by, or is under common control with the Person in question. As used in this definition, the term "control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through ownership of voting securities, by contract or otherwise, or to hold or to control the holder of 10 percent or more of the outstanding voting securities of such Person.

"Articles" mean the Articles of Organization as filed with the Commission pursuant to Section 1.6 of this Operating Agreement.

ARIZONA GOLD PROCESSING LLC
CLASS A PREFERRED UNITS
CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM

"Capital Account" means the capital account maintained for a Member pursuant to Section 3.2 of this Operating Agreement.

"Capital Contribution" means any asset or property of any nature contributed by a Member to the capital of the Company according to terms acceptable to the Managing Member pursuant to the provisions of this Operating Agreement.

"Class" means a type of Membership Interest in the Company with determinable rights and duties associated therewith as may be established by the Managing Member from time to time.

"Class A Member" means a Preferred Member with the rights set forth in Article 3.3(c)(i) of this Agreement.

"Closing Date", unless shortened or extended in the Managing Member's sole discretion, means 180 days from the date on the cover of the Memorandum.

"Code" means the Internal Revenue Code of 1986, as from time to time amended and in effect.

"Commission" means the Arizona Corporation Commission.

"Company" means the limited liability company governed by this Operating Agreement, its successors and assigns.

"Consent" means the written consent of a Person, or the affirmative vote of such Person at a meeting called and held pursuant to Article VIII of this Operating Agreement, as the case may be, to do the act or thing for which the consent is solicited, or the act of granting such consent, as the context requires.

"Effective Date" means November 30, 2011, the date this Operating Agreement goes into effect.

"Event of Withdrawal" means an event that causes a Member or Manager to cease to be a Member or Manager under the terms of this Operating Agreement or as a Member or Manager as provided in the Act.

"Gross Revenue" means money generated from the Company's operations, before deductions for expenses.

"Indemnitee" means any Manager, Managing Member, or any Person who is or was an Affiliate of a Manager or Managing Member, any Person who is or was an officer, manager, director, employee, agent, trustee, member, partner or shareholder of a Managing Member or any such Affiliate, or any Person who is or was serving at the request of a Managing Member or any such Affiliate as a director, officer, manager, employee, member, partner, agent or trustee of another Person; provided that a Person shall constitute an "Indemnitee" only with respect to acts, omissions or matters deriving from or relating to the business, operations or investments of the Company.

"Initial Capitalization" means the aggregate Capital Contributions of the Preferred Members.

"Liquidator" has the meaning specified in Section 7.2 of this Operating Agreement.

"Majority in Interest of the Preferred Members" means Preferred Members whose Percentage Interests aggregate to greater than fifty percent (50%) of the Percentage Interests of all Preferred Members.

"Managing Member" means AZGO LLC, an Arizona limited liability company, its successors and/or assigns.

"Managing Membership Interest" means the Membership Interest of the Managing Member which possesses the right to vote, govern, and otherwise direct and administer the affairs of the Company.

"Members" means the Managing Member and the Preferred Members. In its singular form it means any one of the Members.

ARIZONA GOLD PROCESSING LLC
CLASS A PREFERRED UNITS
CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM

"Membership Interest" means the interest acquired by a Member in the Company including, without limitation, such Member's right: (i) to a distributive share of the income, gain, loss, deduction, and credit of the Company; (ii) to a distributive share of the assets of the Company; (iii) if a Preferred Member, to Consent on those matters described in this Operating Agreement; and (iv) if a Managing Member, to vote and appoint Managers in the Company.

"Memorandum" means the confidential private placement offering memorandum, including all exhibits, amendments, or supplements thereto, utilized by the Company to disclose risks, describe its proposed activities, and explain the terms of the Offering of Units to prospective Preferred Members.

"Net Revenue" means 70% of Gross Revenue, less actual expenses.

"Offering" means the offering of Units pursuant to the terms of a Memorandum.

"Operating Agreement" means this Operating Agreement, as may be amended, supplemented or restated from time to time.

"Percentage Interest" means a Member's share of the revenue of the Company and the Member's percentage right to receive distributions of Company assets according to the number of Units purchased in the Company. The Percentage Interest of each Member shall be the percentage or number of Units set forth opposite such Member's name on Schedule A to this Operating Agreement, as such schedule may be amended from time to time in accordance with this Operating Agreement.

"Person" means an individual or a corporation, limited liability company, partnership, trust, estate, unincorporated organization, association or other business enterprise.

"Preferred" means a class of Company Membership Interest entitled to the allocation and distribution of Company revenue, capital, or other dispositions of Company assets in accordance with the provisions afforded such Class in Section 3.3 of this Agreement, subject to Redemption. See "Preferred Membership Interest".

"Preferred Member" means any Person(s) other than the Managing Member (i) whose name is set forth on Schedule A of this Operating Agreement, attached hereto, as a Preferred Member, or who has been admitted as an additional or substituted Preferred Member pursuant to the terms of this Operating Agreement, and (ii) who is the owner of a Unit. In its plural form it means all such Persons.

"Preferred Membership Interest" means the non-voting Membership Interest of a Preferred Member entitling them to the allocations and distributions as set forth in Section 3.3 of this Operating Agreement, subject to Redemption, in the event the Company realizes revenue and such other rights accorded Preferred Members in accordance with this Operating Agreement.

"Profit," as to a positive amount, and "Loss," as to a negative amount, mean, for a taxable year, the Company's income or loss for the Taxable Year, as determined in accordance with accounting principles appropriate to the Company's method of accounting and consistently applied.

"Record Date" means the date established by the Managing Member for determining the identity of Preferred Members entitled to give Consent action or entitled to exercise rights in respect of any other lawful action of Preferred Members.

"Redemption" means the re-conveyance of a Unit back to the Company.

"Redemption Event" means, unless waived in the Managing Member's sole discretion, the occurrence of an event described in Article 3.3 of this Agreement triggering an automatic Redemption.

"Regulations" means the income tax regulations promulgated under the Code, as from time to time amended and in effect (including corresponding provisions of succeeding regulations).

"Roll-Up" means a transaction involving the acquisition, merger, conversion, or consolidation, either directly or indirectly, of the Company and the issuance of securities of a roll-up entity.

ARIZONA GOLD PROCESSING LLC
CLASS A PREFERRED UNITS
CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM

"Roll-Up Entity" means a partnership, trust, corporation or other entity that would be created or survive after the successful completion of a proposed roll-up transaction.

"Sponsor" means any Person directly or indirectly instrumental in organizing, wholly or in part, a partnership or program to facilitate investment or who will manage or is entitled to manage or participate in the management or control of such partnership or program. "Sponsor" includes the Managing Member. "Sponsor" does not include Persons such as attorneys, accountants, consultants, bankers, etc., who are compensated for professional services rendered to the Company.

"Subscription" means the amount indicated on the Subscription Agreement that a Preferred Member has agreed to pay to the Company as their Capital Contribution.

"Subscription Agreement" means the agreement attached to the Memorandum by way of exhibit whereby prospective Preferred Members subscribe for Units.

"Transfer" has the meaning set forth in Section 6.1(a) of this Operating Agreement.

"Unanimous Vote" means the affirmative vote of all Members.

"Unit" means an undivided interest of the Preferred Members in the aggregate Preferred Membership Interest in Company revenue, capital or other disposition of Company assets.

ARTICLE III

FINANCIAL MATTERS

3.1. Capital Contributions. The Managing Member shall contribute its time, talents and resources to organize the Company and acquire assets in order to enable the Company to commence its plan to operate an ore processing plant. Subsequently, each Preferred Member (whose names and addresses and number of Units subscribed for are set forth on Schedule A attached hereto) shall contribute to the capital of the Company cash (or promissory obligations) in an amount determined by the Managing Member for each Unit purchased. Upon the subscription of any number of Units, such funds shall immediately be available for use by the Managing Member to expend as necessary on behalf of the Company to cover costs, fees, and other expenses to pursue the Company's objectives. Persons or entities hereafter admitted as Members shall make such contributions of cash (or promissory obligations), property or services to the Company as shall be determined by the Managing Member at the time of each such admission. Schedule A hereto reflects the Percentage Interest of each Preferred Member based on the Capital Contributions being made by such Members. Schedule A shall be amended from time to time by the Managing Member to reflect changes in Percentage Interests resulting from the admission of additional or substitute Preferred Members, the withdrawal of Preferred Members or transfers of Preferred Membership Interests, in each case accomplished in accordance with the terms of this Operating Agreement. The combined Percentage Interests of all Members within and between all classes of Membership Interest, and such other classes as the Managing Member may establish from time to time, shall at all times equal 100%.

3.2. Capital Accounts.

- (a) A Capital Account shall be maintained for each Member. Each Member's Capital Account shall be credited with the amount of money and the fair market value of property (net of any liabilities secured by such contributed property that the Company assumes or takes subject to) contributed by that Member to the Company; the amount of any Company liabilities assumed by such Member (other than in connection with a distribution of Company property), and such Member's distributive share of Company revenue (including tax exempt income). Each Member's Capital Account shall be debited with the amount of money and the fair market value of property (net of any liabilities that such Member assumes or takes subject to) distributed to such Member; the amount of any liabilities of such Member assumed by the Company (other than in connection with a contribution); and such Member's distributive share of Company losses (including items that may be neither deducted nor capitalized for federal income tax purposes).

ARIZONA GOLD PROCESSING LLC
CLASS A PREFERRED UNITS
CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM

- (b) Notwithstanding any provision of this Operating Agreement to the contrary, each Member's Capital Account shall be maintained and adjusted in accordance with the Code and Regulations, including, without limitation, (i) the adjustments permitted or required by Internal Revenue Code Section 704(b) and, to the extent applicable, the principles expressed in Internal Revenue Code Section 704(c) and (ii) adjustments required to maintain Capital Accounts in accordance with the "substantial economic effect test" set forth in the Regulations under Internal Revenue Code Section 704(b).
- (c) Any Member, including any substitute Member, who shall receive a Membership Interest (or whose Membership Interest shall be increased) by means of a transfer to it of all or a part of the Membership Interest of another Member, shall have a Capital Account that reflects the Capital Account associated with the transferred Membership Interest (or the applicable percentage thereof in case of a transfer of a part of an interest).

3.3. Allocations and Distributions.

- (a) All items of Company income, gain, loss, deduction, credit or the like for each taxable year shall be allocated among the Members in accordance with this Section 3.3.
- (b) 30% of all Company Gross Revenue shall be allocated and distributed to the Managing Member.
- (c) Distributions of all Company Net Revenue, capital, and other disposition of Company assets are to be allocated as follows:
 - (i) With respect to Class A Preferred Members:
 - (A) 100% to the Class A Preferred Members (0% to the Managing Member) until the Preferred Members have realized 100% of their Capital Contribution;
 - (B) Thereafter, 75% to the Class A Preferred Members (25% to the Managing Member) until the Preferred Members have realized 200% of their Capital Contribution;
 - (C) Thereafter, 50% to the Class A Preferred Members (50% to the Managing Member) until the Preferred Members have realized 500% of their Capital Contribution (i.e., unless waived by the Managing Member in its sole discretion, a Redemption Event).
 - (ii) As for other Classes of Preferred Members as may be established by the Managing Member from time to time:
 - (A) According to such terms as may be established by the Managing Member for such Class by way of an amendment to this Article 3.3(c)(ii)(A); provided
 - (B) The rights of the Class A Preferred Members as established in Article 3.3(c)(i) hereof are not adversely affected or, if so, their Consent is obtained.
- (d) Upon liquidation of the Company, the Company shall distribute any remaining assets in accordance with Section 7.2 of this Operating Agreement.
- (e) The Managing Member shall have the right to establish such reserves as they may from time to time determine are necessary or appropriate in connection with the conduct of the Company's business (including reserves for anticipated capital expenses and contingency reserves to handle unanticipated cost overruns). Amounts paid to the Managing Member under Article IV of this Operating Agreement shall not be deemed to be distributions for purposes of this Section 3.3. All amounts withheld pursuant to the Code or any applicable provision of state, local or foreign tax law with respect to any distribution to a Member shall be treated as amounts distributed to such Member pursuant to this Section 3.3 for all purposes of this Operating Agreement.
- (f) Losses shall be allocated to the Members in accordance with Section 3.3(c) hereof.

ARIZONA GOLD PROCESSING LLC
CLASS A PREFERRED UNITS
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3.4. Tax Matters Partner. The Managing Member is hereby designated as the "Tax Matters Partner" for purposes of Sections 6231 of the Code and the Regulations promulgated thereunder. The Tax Matters Partner is authorized and required to represent the Company, at the Company's expense, in connection with all examinations of the Company's affairs by tax authorities, including resulting administrative and judicial proceedings and, in the discretion of the Tax Matters Partner, to expend Company funds for professional services and costs associated therewith. The Tax Matters Partner shall promptly advise each Member of any audit proceedings proposed to be conducted with respect to the Company. In the event the Managing Member ceases to be a Member of the Company, a successor Tax Matters Partner shall be appointed by the Preferred Members.

3.5. Taxation as a Partnership. It is the intention of the Members that the Company shall be taxed as a "partnership" for federal, state, local and foreign income tax purposes. The Members agree to take all actions, including the execution of documents, as may reasonably be requested by the Managing Member in order for the Company to qualify for and receive "partnership" treatment for federal, state, local and foreign income tax purposes. No election shall be made by the Company or any Member for the Company to be excluded from the application of any of the provisions of Subchapter K, Chapter 1 of Subtitle A of the Code or from any similar provisions of any state tax laws.

3.6. Fiscal Year. The fiscal year of the Company shall be the calendar year unless otherwise determined by the Managing Member in its sole discretion.

3.7. Interest. No interest shall be paid by the Company on Capital Contributions or on balances in Members' Capital Accounts.

3.8. No Withdrawal. No Member shall be entitled to withdraw any part of its Capital Contribution or its Capital Account, or to receive any distributions from the Company, except as provided in Section 3.3, Section 5.4, Section 6.4, Section 6.7, and Article VII hereof.

3.9. Loans from Members. Loans by a Member to the Company shall not be considered Capital Contributions. If any Member shall advance funds to the Company in excess of the amounts required hereunder to be contributed by it to the capital of the Company, the making of such excess advances shall not result in any increase in the amount of the Capital Account of such Member. The amount of any such excess advances shall be a debt of the Company to such Member and shall be payable or collectible only out of the Company assets in accordance with the terms and conditions upon which such advances are made.

3.10. Compensation and Reimbursement.

- (a) **Compensation.** The Managing Member and their respective Affiliates may receive fees and other compensation from the Company for services rendered pursuant to agreements with the Company, including agreements pursuant to which the Managing Member or their Affiliates may provide management services or conduct operations of the Company.
- (b) **Reimbursement for Organizational Expenses.** In addition to amounts paid under other Sections of this Operating Agreement, the Managing Member and their respective Affiliates shall be reimbursed for all expenses, disbursements, and advances incurred or made, and all fees, deposits, and other sums paid in connection with the organization of the Company, the qualification of the Company to do business and all related matters.

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- (c) *Reimbursement for Operational Expenses.* In addition to amounts paid under other Sections of this Operating Agreement, the Managing Member shall be reimbursed at any time and from time to time for all costs and expenses that the Managing Member and their respective Affiliates incur on behalf of, or in the management and operation of the business of, the Company, including, but not limited to, that portion of the Managing Member's and their respective Affiliates' legal and accounting costs and expenses, telephone, investor relations, secretarial, travel, and entertainment expenses, brokerage and professional consultant costs, office rent and other office expenses, salaries and other compensation expenses of employees, agents, and representatives, due diligence, market research, and pre-acquisition research costs and other general, administrative, and additional expenses for the Company's business and allocable to the Company. The Managing Member shall determine the expenses that are allocable to the Company in a manner in its sole discretion. Such reimbursements shall be in addition to any reimbursement to the Managing Member or their Affiliates as a result of the indemnification provided under Section 4.7 of this Operating Agreement.

3.11. *Records and Accounting.* The Managing Member shall keep or cause to be kept appropriate books and records with respect to the Company's business which shall at all times be kept at the principal office of the Company or such other office or offices as the Managing Member may designate for such purpose. The books of the Company shall be maintained for financial reporting purposes on the accrual basis or on a cash basis, as the Managing Member shall determine in their sole discretion. The Managing Member, on its own initiative or upon request by a Member, may cause to be prepared and furnish financial statements of the Company on an annual, or other regular interval basis to the Members. The Managing Member shall also be responsible for causing the preparation and distribution to all Members of all reasonably required tax reporting information.

ARTICLE IV

MANAGEMENT AND OPERATION OF THE BUSINESS

4.1. *Management.* The Managing Member shall conduct, direct and exercise full control over all activities of the Company. Except as otherwise expressly provided in this Operating Agreement, all management powers over the business and affairs of the Company shall be exclusively vested in Managers appointed by the Managing Member by vote or written consent, and the Preferred Members shall have no right of control over the business and affairs of the Company. In addition to the powers now or hereafter granted to a Manager of a limited liability company under applicable law or that are granted to the Managing Member under any other provision of this Operating Agreement, the Managing Member shall have full power and authority to do all things deemed necessary or desirable by them to conduct the business of the Company, including, without limitation: (i) the determination of the activities in which the Company will participate; (ii) the making of any expenditures, the borrowing of money, the guaranteeing of indebtedness and other liabilities, the issuance of evidences of indebtedness, and the incurrence of any obligations they deem necessary or advisable for the conduct of the activities of the Company, including the payment of compensation and reimbursement to the Managing Member and their respective Affiliates under Section 3.10 of this Operating Agreement; (iii) the acquisition, disposition, mortgage, pledge, encumbrance, hypothecation or exchange of any or all of the assets of the Company; (iv) the use of the assets of the Company (including, without limitation, cash on hand) for any Company purpose on any terms they consider appropriate, including, without limitation, the financing of operations of the Company, the lending of funds to other Persons, and the repayment of obligations of the Company; (v) the admission of additional or substitute Preferred Members; (vi) the negotiation, execution, and performance of any contracts that they consider desirable, useful, or necessary to the conduct of the business or operations of the Company or the implementation of the Managing Member's powers under this Operating Agreement; (vii) the distribution of Company cash or other assets; (viii) the selection, hiring, and dismissal of employees (who may be designated as officers of the Company), attorneys, accountants, appraisers, bankers, analysts, brokers, consultants, contractors, agents, and representatives and the determination of their compensation and other terms of employment or hiring (including the adoption of pension or welfare plans); (ix) the maintenance of such insurance for the benefit of the Company as they deem necessary or desirable; (x) the repurchase of the Membership Interest of an Preferred Member; (xi) the formation of any further limited liability companies or entities, partnerships, joint ventures, or other relationships that they deem desirable and the contribution to such entities, partnerships or ventures of assets and properties of the Company; (xii) the control of any matters affecting the rights and obligations of the Company, including the conduct of any litigation, the incurring of legal expenses, and the settlement or confession of claims, suits or judgments; (xiii) the making of Loans; (xiv) the approval of Borrower applications, and the engagement of the Company in any and all general and incidental activities related thereto and necessary for the operation of such activities for profits or losses; and (xiv) the creation and issuance of an unlimited number of Units of various Classes of Membership Interest as deemed expedient by

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the Managing Member, provided, unless their Consent is obtained, such does not diminish or subordinate the rights of the Preferred Members hereunder.

4.2. Reliance by Third Parties. Notwithstanding any other provision of this Operating Agreement to the contrary, no lender or purchaser or other Person, including any purchaser of property from the Company or any other Person dealing with the Company, shall be required to verify any representation by a Manager as to its authority to encumber, sell, or otherwise use any assets or properties of the Company, and any such lender, purchaser or other Person shall be entitled to rely exclusively on such representations, and shall be entitled to deal with, a Manager as if it were the sole party in interest therein, both legally and beneficially. Each Preferred Member hereby waives any and all defenses or other remedies that may be available against any such lender, purchaser or other Person to contest, negate, or disaffirm any action of the Managing Member in connection with any such financing, sale or other transaction. In no event shall any Person dealing with the Managing Member or the Managing Member's representative with respect to any business or property of the Company be obligated to ascertain that the terms of this Operating Agreement have been complied with or to inquire into the necessity or expedience of any act or action of the Managing Member or the Managing Member's representative; and every contract, agreement, deed, mortgage, security agreement, promissory note, or other instrument or document executed by the Managing Member or the Managing Member's representative with respect to any business or property of the Company shall be conclusive evidence in favor of any and every Person relying thereon or claiming thereunder that (i) at the time of the execution and delivery thereof this Operating Agreement was in full force and effect, (ii) such instrument or document was duly executed in accordance with the terms and provisions of this Operating Agreement and is binding upon the Company and (iii) the Managing Member or the Managing Member's representative was duly authorized and empowered to execute and deliver any and every such instrument or document for and on behalf of the Company.

4.3. Outside Activities; Conflicts of Interest. The Managing Member and its Managers or any Affiliate thereof and any director, officer, Manager, member, employee, agent or representative of the Managing Member or its Managers or any Affiliate thereof shall be entitled to and may have business interests and engage in business activities in addition to those relating to the Company, including business interests and activities in direct competition with the Company. Neither the Company nor any of the Members shall have any rights by virtue of this Operating Agreement or the partnership relationship created hereby in any business ventures of the Managing Member or its Managers, any Affiliate thereof, or any director, officer, Manager, member, employee, agent or representative of the Managing Member or Managers or any Affiliate thereof. A Manager shall devote only such part of its time to the affairs of the Company as is reasonably necessary for the conduct of the Company's business; provided, however, that it is expressly understood and agreed that (i) the Managing Member intend to and shall have the right to delegate management authority for the Company pursuant to management, operating or other agreements and (ii) its Managers shall not be required to devote their entire time or attention to the business of the Company.

4.4. Resolution of Conflicts of Interest. Unless otherwise expressly provided in this Operating Agreement (i) whenever a conflict of interest exists or arises between the Managing Member, its Managers or any of its Affiliates, on the one hand, and the Company or any Preferred Member, on the other hand, or (ii) whenever this Operating Agreement provides that the Managing Member or its Managers shall act in a manner that is, or provide terms that are, fair and reasonable to the Company or any Preferred Member, the Managing Member or Managers shall resolve such conflict of interest, take such action, or provide such terms considering, in each case, the relative interests of each party to such conflict, agreement, transaction, or situation and the benefits and burdens relating to such interests, any customary or accepted industry practices, any applicable generally accepted accounting practices or principles and such other factors as the Managing Member deem appropriate in their discretion, and, in, the absence of bad faith by the Managing Member or its Managers, the resolution, action, or terms so made, taken, or provided by the Managing Member shall not constitute a breach of this Operating Agreement or a breach of any standard of care or duty imposed herein or under the Act or any other applicable law, rule, or regulation.

4.5. Reliance by Managers.

- (a) The Managing Member may rely and shall be protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, consent, order, bond, debenture, or other paper or document believed by them to be genuine and to have been signed or presented by the proper party or parties.

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- (b) The Managing Member may consult with legal counsel, accountants, appraisers, management consultants, engineers, geologists, brokers, investment bankers, and other consultants and advisers selected by them, and any opinion of any such Person as to matters which the Managing Member believe to be within such Person's professional or expert competence shall be full and complete authorization and protection in respect of any action taken or suffered or omitted by the Managing Member hereunder in good faith and in accordance with such opinion.

4.6. Loans from the Managing Member or Managers; Contracts with Affiliates.

- (a) The Managing Member, Managers or any Affiliate of the Managing Member may lend to the Company funds needed or desired by the Company for such periods of time as the Managing Member may determine; provided, that no Manager, Managing Member or Affiliate may charge the Company interest, points or fees at rates greater than the rates that would be charged the Company by unrelated lenders on comparable loans. The Company shall reimburse any Manager or Managing Member making a loan to the Company, or any Affiliate, for any costs (other than interest) incurred by it in connection with the borrowing of funds obtained by the Managing Member, Manager or such Affiliate and loaned to the Company.
- (b) The Company may loan to the Managing Member, any Manager or Affiliate thereof or to other Persons funds needed or desired by such Persons; provided, however, the Company receives interest, points and/or fees at rates and on terms that are commercially reasonable in the opinion of the Managing Member.
- (c) The Managing Member may itself, or may enter into any arrangement with any of its Affiliates to, render services for the Company.
- (d) The Managing Member, or any Affiliate thereof, may sell, transfer or convey any property to, or purchase any property from, the Company.

4.7. Indemnification.

- (a) To the fullest extent permitted by law, each Indemnitee shall be indemnified and held harmless by the Company and/or its Members from and against any and all losses, damages, liabilities, expenses (including legal fees and disbursements), judgments, fines, settlements and all other amounts arising from any and all claims, demands, actions, suits or proceedings, civil, criminal, administrative or investigative, in which the Indemnitee may be involved, or threatened to be involved, as a party or otherwise by reason of its status as (i) a Manager, Managing Member or an Affiliate thereof, (ii) an officer, director, manager, member, employee, agent, trustee, partner or shareholder of a Managing Member or an Affiliate thereof or (iii) a person serving at the request of the Company in another entity in a similar capacity, if the Indemnitee acted in good faith and in a manner it reasonably believed to be in, or not opposed to, the best interests of the Company and, with respect to any criminal proceeding, had no reasonable cause to believe its conduct to be unlawful; provided that no Indemnitee shall be entitled to indemnification if it shall be finally judicially determined that such Indemnitee's act or omission constituted willful misconduct or gross negligence. The termination of any action, suit or proceeding by judgment, order, settlement, conviction or upon a plea of nolo contendere, or its equivalent shall not, of itself, create a presumption that the Indemnitee acted in a manner contrary to that specified above. Any indemnification pursuant to this Section 4.7 shall be made only out of the assets of the Company.
- (b) Expenses (including legal fees and disbursements) incurred by an Indemnitee in defending any claim, demand, action, suit or proceeding shall, from time to time, be advanced by the Company prior to the final disposition of such claim, demand, action, suit or proceeding, upon receipt by the Company of an undertaking by or on behalf of the Indemnitee to repay such amount if it shall be determined that the Indemnitee is not entitled to be indemnified as authorized in this Section 4.7.
- (c) The indemnification provided by this Section 4.7 shall be in addition to any other rights to which an Indemnitee may be entitled under any agreement, pursuant to any vote of the Members, as a matter of law or otherwise, and shall continue as to an Indemnitee who has ceased to serve in the indemnified capacity and shall inure to the benefit of the heirs, successors, assigns and legal representatives of an Indemnitee.

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- (d) The Company may purchase and maintain insurance, on behalf of the Managing Member and such other Persons as the Managing Member shall determine, against any liability that may be asserted against or expense that may be incurred by such Person in connection with the Company's activities, regardless of whether the Company would have the power to indemnify such Person against such liability under the provisions of this Operating Agreement.
- (e) An Indemnitee shall not be denied indemnification in whole or in part under this Section 4.7 because the Indemnitee had an interest in the transaction with respect to which the indemnification applies if the transaction was otherwise permitted by the terms of this Operating Agreement.
- (f) The provisions of this Section 4.7 are for the benefit of the Indemnitees, their heirs, successors, assigns and legal representatives and shall not be deemed to create any rights for the benefit of any other Persons.

4.8. Liability of Indemnitees.

- (a) No Indemnitee shall be liable to the Company or any other Member for losses sustained or liabilities incurred as a result of any act or omission if such Indemnitee acted in good faith and in a manner reasonably believed by the Indemnitee to be in, or not opposed to, the best interests of the Company, or for errors of judgment, neglect or omission; provided, however, that an Indemnitee shall be liable for its willful misconduct or gross negligence.
- (b) The Managing Member may exercise any of the powers granted to them by this Operating Agreement and perform any of the duties imposed upon it hereunder either directly or by or through its agents or representatives, and the Managing Member shall not be responsible for any misconduct or negligence on the part of any agent or representative appointed by the Managing Member in good faith.

ARTICLE V

RIGHTS AND OBLIGATIONS OF MEMBERS

5.1. Liability of Members. No Member shall have any personal liability for the debts and obligations of the Company and shall be accorded limited liability to the maximum extent allowed by law to members under the Act.

5.2. No Participation in Management. No Preferred Member, in its capacity as such, shall take part in the operation, management or control of the Company's business, transact any business for or on behalf of the Company or have any power to execute documents for or otherwise act for or bind the Company.

5.3. Outside Activities; No Competition. Any Preferred Member shall be entitled to and may have business interests and engage in business activities in addition to those relating to the Company; provided, however, such business interests and activities are not in direct competition with the Company. Neither the Company nor any of the other Members shall have any rights by virtue of this Operating Agreement in or with respect to any business ventures of any Preferred Member.

5.4. Withdrawal of Capital. Except to the extent of distributions made pursuant to this Operating Agreement or upon dissolution as provided herein, no Preferred Member shall be entitled to the withdrawal or return of their Capital Contribution for at least one (1) year from the closing date of the Company's acquisition of its first Property, absent a showing of undue hardship, and then only upon the written consent of the Managing Member, which consent may be denied for any or no reason in its sole and absolute discretion, provided it is in receipt of a written request from a Preferred Member at least 90 days prior to the requested withdrawal date.

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5.5. Inspection Rights.

- (a) Each Preferred Member shall have the right, for a purpose reasonably related to such Preferred Member's interest, subject to such reasonable standards (including standards governing what information and documents are to be furnished, at what time and location and at whose expense, including concerns involving privacy) as may be adopted by the Managing Member, to obtain from the Managing Member from time to time upon reasonable demand:
 - (i) true and full information regarding the status of the business and financial condition of the Company;
 - (ii) properly after becoming available, a copy of the Company's federal, state and local income tax returns for each year;
 - (iii) a copy of this Operating Agreement and the Articles and any amendments thereto; and
 - (iv) such other information regarding the affairs of the Company as is just and reasonable.
- (b) Notwithstanding the provisions of Section 5.5(a), the Managing Member may withhold or keep confidential from the Preferred Members for such period of time as the Managing Member deems reasonable any information that the Managing Member reasonably believes to be personal and confidential information in the interest of preserving the privacy rights of its Members or of the nature of trade secrets or other information the disclosure of which the Managing Member in good faith believe is not in the best interests of the Company or which the Company is required by law or by agreements with third parties to keep confidential.

5.6. Consent Rights of Preferred Members.

- (a) The Preferred Members shall have the right to Consent with respect to the following matters, which matters shall not be engaged in or taken by the Company or the Managing Member unless the requisite Consent of the Preferred Members is obtained: (i) any sale of all or substantially all of the Company's assets in a single transaction or a series of related transactions; or (ii) any merger, consolidation, Roll Up, domestication or conversion of the Company with or into any other entity or organization.
- (b) Except as referenced in Section 5.6(a) or as otherwise provided in this Operating Agreement, the Preferred Members shall not have any right to vote or otherwise grant or withhold Consent with respect to Company matters.

5.7. Effect of Bankruptcy, Death or Incompetency of a Preferred Member. The bankruptcy, death, dissolution, termination or adjudication of incompetency of a Preferred Member shall not cause the dissolution or termination of the Company and the business of the Company shall continue. Upon any such occurrence, the legal representative of such Preferred Member shall have the rights of such Preferred Member for the purpose of settling its estate or property, and such power as the Preferred Member possessed to transfer its Membership Interest. The transfer by any such legal representative of any Membership Interest shall be subject to all of the restrictions hereunder to which such transfer would have been subject if made by the bankrupt, deceased, dissolved, terminated or incompetent Preferred Member.

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ARTICLE VI

TRANSFERS OF INTERESTS; WITHDRAWALS; REDEMPTION

6.1. *Transfer.*

- (a) The term "transfer", when used in this Article VI or elsewhere in this Operating Agreement with respect to a Membership Interest, shall mean the sale, assignment, transfer, pledge, encumbrance, hypothecation, exchange, gift or other disposition of all or any portion of a Membership Interest, or any interest therein (including a transfer occurring by operation of law).
- (b) No Membership Interest shall be transferred, in whole or in part, except in accordance with the terms and conditions set forth in this Article VI. Any transfer or purported transfer of a Membership Interest not made in accordance with this Article VI shall be null and void.

6.2. *Transfers by the Managing Member.* Upon satisfaction of the other conditions set forth in this Section 6.2, the Managing Member may transfer all or any part of their Membership Interest held by it as Managing Member. Any proposed transferee of all or any part of the interest of a Managing Member shall, as a condition to such transfer, agree to become an additional or successor Managing Member of the Company. In connection with such transfer, such additional or successor Managing Member shall execute a counterpart of this Operating Agreement, evidencing its agreement to serve as Managing Member and to be bound by all of the terms and conditions hereof. Such transferee shall be deemed to be admitted as an additional or successor Managing Member immediately prior to the effective time of the subject transfer, and, together with all remaining Members, shall continue the business of the Company without dissolution. The Managing Member shall cause the Articles of Organization to be amended to reflect the admission of the new Managing Member and, as may be applicable, the withdrawal of the prior Managing Member by reason of a transfer of its entire Membership Interest as Managing Member.

6.3. *Withdrawal or Removal of the Managing Member.*

- (a) The Managing Member covenant and agree that they will not voluntarily withdraw as Managing Member of the Company for the term of the Company, subject to its right to transfer its Membership Interest as Managing Member pursuant to Section 6.2.
- (b) The Managing Member may be removed, and a successor Managing Member elected, if and only if (i) a court of competent jurisdiction finds the Managing Member to be guilty of a criminal act or to have committed a willfully fraudulent act; and (ii) a Unanimous Vote is obtained for such removal. In order to be valid, any such action for removal of the Managing Member must be taken within 180 days of entry of final judgment and must also provide for the election of a successor Managing Member. Such removal shall be deemed effective immediately subsequent to the admission of the successor Managing Member. Such successor Managing Member, together with all then remaining Members, shall continue the Company without dissolution. Further, such successor Managing Member shall execute a counterpart of this Operating Agreement, evidencing its agreement to serve as Managing Member and to be bound by all of the terms and conditions hereof, and the Managing Member shall cause the Articles of Organization to be amended to reflect the admission of the successor Managing Member and the removal of the prior Managing Member. The successor Managing Member shall also make the payment to the removed Managing Member required under Section 6.3(c).

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- (c) The removed Managing Member shall, in respect of its former Membership Interest as Managing Member which shall be succeeded to by the successor Managing Member, promptly receive from its successor in exchange for its Membership Interest as Managing Member an amount in cash equal to the fair market value of the removed Managing Member's Membership Interest, determined as of the effective date of removal. The removed Managing Member shall, as of the effective date of its removal, cease to share in any allocations or distributions with respect to its Membership Interest. For purposes of this Section 6.3(c), the fair market value of the removed Managing Member's Membership Interest shall be determined by agreement between the removed Managing Member and its successor or, failing agreement within thirty (30) days after the effective date of removal, by an independent appraiser or other independent expert selected by the removed Managing Member and its successor. If such parties cannot agree upon one independent appraiser or other independent expert within forty-five (45) days after the effective date of removal, then both the removed Managing Member and its successor shall have independent appraisals conducted at their own expense. Such appraisals shall then be averaged together to determine the amount to be paid by the successor Managing Member. In making their determination, such appraiser(s) or other independent expert(s) shall consider the value of the Company's assets and such other factors as they may deem relevant. The expense of engaging the independent appraiser(s) or other independent expert(s) that determines fair market value shall be borne one-half by the Company and one-half by the removed Managing Member.

6.4. *Event of Withdrawal of the Managing Member.*

- (a) Upon the occurrence of an Event of Withdrawal of the Managing Member, but excluding a withdrawal of the Managing Member in connection with a permitted transfer under Section 6.2, such Person shall cease to be the Managing Member and the Company Interest held by it as Managing Member shall be deemed redeemed by the Company simultaneously with the occurrence of the withdrawal. The withdrawing Managing Member shall be entitled to receive the fair value of its redeemed Membership Interest, determined in the same manner as referenced in Section 6.3(c); provided that references in Section 6.3(c) to the removed Managing Member shall be deemed references to the withdrawn Managing Member and references to the successor Managing Member shall be deemed references to the Company; and provided, further, that if the withdrawal was in violation of this Operating Agreement, the redemption price of the withdrawn Managing Member's Membership Interest will equal eighty percent (80%) of the fair market value thereof.
- (b) If at the time of the withdrawal of the Managing Member as referenced in Section 6.4(a) the withdrawn Managing Member was not the sole Managing Member, then the remaining Managing Member(s) shall continue the business of the Company without dissolution. If, on the other hand, the withdrawn Managing Member was the sole remaining Managing Member, then the Company shall dissolve unless the Preferred Members elect to continue the business of the Company with a successor Managing Member as provided in Section 7.1(b).

6.5. *Transfers by Preferred Members.*

- (a) No Preferred Member shall transfer all or any part of its Membership Interest without the prior written consent of the Managing Member. The Managing Member will not consent to any such transfer if the effect of the same, when taken together with other transfers of Membership Interests during the preceding twelve (12) months, would be to cause the Company to terminate within the meaning of Section 708 of the Code, or if in the opinion of the Managing Member, such transfer would require registration of Membership Interests under federal or state securities laws or would result in a violation of federal or state securities laws (including investment suitability standards).

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- (b) No transferee of all or any part of the Membership Interest of a Preferred Member shall be admitted to the Company as a substitute Preferred Member unless: (i) a Manager has consented to such substitution, the granting or denial thereof to be within the sole discretion of the Managing Member; (ii) the transferee has executed a counterpart of this Operating Agreement and such other instruments as the Managing Member deem necessary or appropriate to confirm the undertaking of such transferee to be bound by all of the terms and provisions of this Operating Agreement; (iii) all expenses, including attorneys' fees, incurred by the Managing Member or the Company in connection with the subject transfer shall have been paid or reimbursed by the transferor or transferee; (iv) the Company shall have been provided with a copy of the written instrument of transfer; and (v) the Managing Member shall have caused the transferee's admission as a substitute Preferred Member to be reflected in the records of the Company. A transferee that is not admitted as a substitute Preferred Member shall have only the economic rights of an assignee as provided in the Act, and such transferee shall not otherwise possess or have the right to exercise any of the rights of an Preferred Member hereunder or under the Act.

6.6. *Withdrawal of an Preferred Member.* No Preferred Member shall have the right to withdraw from the Company prior to the dissolution and winding up of the Company, except in connection with a permitted withdrawal as per Article 5.4 or Article 6.7 of this Operating Agreement.

6.7 *Redemption.* Notwithstanding any other provision of this Operating Agreement to the contrary, the Preferred Members' Units in the Company shall be automatically redeemed in consideration of cash already received upon the occurrence of a Redemption Event, at which time their Membership Interest in the Company shall end.

ARTICLE VII

DISSOLUTION AND LIQUIDATION

7.1. *Dissolution.*

- (a) Subject to Section 7.1(b), the Company shall be dissolved and its affairs wound up and terminated upon the first to occur of the following events:
- (i) the expiration of the term of the Company as provided in Section 1.4;
 - (ii) the sale or other disposition in a single transaction or series of related transactions of all or substantially all of the assets of the Company;
 - (iii) a Unanimous Vote by the Members to dissolve the Company; or
 - (iv) the impossibility of the Company to transact business for any reason.
- (b) Notwithstanding the provisions of 7.1(a)(iv), the Company shall not be dissolved upon the occurrence of an event described in such subsection if, within ninety (90) days after such event, a Majority in Interest of the Preferred Members (or such larger group or percentage of Preferred Members as required by law) agree in writing to continue the business of the Company and to the appointment, effective as of the date of withdrawal of the withdrawn Managing Member, of successor Managing Member. In the event the business of the Company is continued without dissolution upon the occurrence of an Event of Withdrawal of Managing Member as described in this Section 7.1(b), then the Company Interest of the withdrawn Managing Member shall be deemed redeemed and it shall be entitled to receive the redemption price thereof determined under Section 6.4(a) hereof.

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7.2. Liquidation. Upon dissolution of the Company, the Managing Member, or if there is no remaining Managing Member, then such Person as is appointed by the Consent of a Majority in Interest of Preferred Members (the remaining Managing Member or Members or such other Person conducting the liquidation of Membership assets being referred to as the "Liquidator") shall liquidate the Company's assets within such reasonable period and upon such terms, price and conditions as are determined by the Liquidator, provided the allocations set forth in Section 3.3 are observed. The terms of this Operating Agreement shall continue to govern the rights and obligations of the Members and the conduct of the Company business during the period of winding up the Company affairs. The Liquidator shall have and may exercise, without further authorization or consent of Members, all of the powers conferred upon the Managing Member under the terms of this Operating Agreement (including, without limitation, the powers of attorney granted under Section 1.7) to the extent necessary or desirable in the good faith judgment of the Liquidator to carry out the duties and functions of the Liquidator hereunder for and during such period of time as shall be reasonably required in the good faith judgment of the Liquidator to complete the winding up and liquidation of the Company. The Liquidator shall liquidate the assets of the Company, and apply and distribute the proceeds of such liquidation in the following order of priority, unless otherwise required by mandatory provisions of applicable law:

- (a) to creditors, including Members who are creditors, to the extent otherwise permitted by law, in satisfaction of the liabilities of the Company (whether by payment or by the establishment of reserves of cash or other assets of the Company for contingent liabilities in amounts, if any, determined by the Liquidator to be appropriate for such purposes), other than liabilities for distributions to Members and former Members under applicable provisions of the Act; and
- (b) thereafter, to the Members in accordance with Section 3.3 of this Operating Agreement.

7.3. Distribution in Kind. Notwithstanding the provisions of Section 7.2 which require the liquidation of the assets of the Company, if on dissolution of the Company the Liquidator determines that a prompt sale of part or all of the Company's assets would be impractical or would cause undue loss to the value of Company assets, the Liquidator may defer for a reasonable time the liquidation of any assets, except those necessary to timely satisfy liabilities of the Company (other than those to Members), and/or may distribute to the Members, in lieu of cash, as tenants in common undivided interests in such Company assets as the Liquidator deems not suitable for liquidation. Any such in-kind distributions shall be made in accordance with the priorities referenced in Section 7.2 as if cash equal to the fair market value of the distributed assets were being distributed. Any such distributions in kind shall be subject to such conditions relating to the disposition and management of such properties as the Liquidator deems reasonable and equitable and to any joint operating agreements or other agreements governing the operation of such properties at such time. The Liquidator shall determine the fair market value of any property distributed in kind using such reasonable methods of valuation as it may adopt.

7.4. Dissolution. Upon the completion of the distribution of Company assets as provided in Sections 7.2 and 7.3, the Company shall be terminated, and the Liquidator shall cause the filing of a certificate of dissolution with the Commission and other authorities as appropriate and shall take such other actions as may be necessary to terminate the Company.

7.5. Return of Capital. No Manager, Managing Member nor its Affiliates, officers, directors, managers, members, shareholders, partners nor their respective Affiliates shall be personally liable for the return of the Capital Contributions of the Preferred Members, or any portion thereof, it being expressly understood that any such return shall be made solely from Company operations.

7.6. Waiver of Partition. Each Member hereby waives any rights to partition of the Company property.

ARIZONA GOLD PROCESSING LLC
CLASS A PREFERRED UNITS
CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM

ARTICLE VIII

AMENDMENT OF AGREEMENT;

MEETINGS; RECORD DATES; CONSENTS

8.1. *Amendments to be Adopted Solely by Managers.* The Managing Member or its Managers, without need for the Consent of any Member, may amend any provision of this Operating Agreement and execute, swear to, acknowledge, deliver, file, and record whatever documents may be required in connection therewith, to reflect:

- (a) a change in the name of the Company, the registered office or registered agent of the Company, or the location of the principal place of business of the Company;
- (b) the admission, substitution or withdrawal of Members in accordance with this Operating Agreement;
- (c) a change that the Managing Member has determined is necessary or appropriate (i) to qualify or register, or continue the qualification or registration of, the Company as a limited liability company (or a partnership in which the Members have limited liability) under the laws of any jurisdiction or (ii) to ensure that the Company will not be treated as an association taxable as a corporation for federal, state, local or foreign income tax purposes; or
- (d) a change that (i) the Managing Member has determined to be desirable and in the interests of the Company and the Members as a whole and that does not adversely affect the Members in any material respect, or (ii) is necessary or desirable in the opinion of the Members to satisfy any requirements, conclusions, or guidelines contained in any opinion, directive, order, ruling, or regulation of any federal or state agency or judicial authority or contained in any federal or state statute.

8.2. *Amendment Procedures.* Except as provided in Sections 8.1 and 8.3 of this Operating Agreement, all amendments to this Operating Agreement shall be adopted in accordance with the following requirements: (i) amendments to this Operating Agreement may be proposed only by the Managing Member; (ii) if an amendment is proposed, the Managing Member shall seek the Consent of the requisite Percentage Interests of the Managing Member and the Preferred Members, if required; (iii) a proposed amendment shall be effective upon its approval by the Managing Member and a Majority in Interest of the Preferred Members, if required, unless a greater percentage is required by this Operating Agreement; and (iv) the Managing Member shall notify all Members upon final adoption of any such proposed amendment.

8.3. *Special Amendment Requirements.* Notwithstanding the provisions of Sections 8.1 and 8.2 of this Operating Agreement, no provision of this Operating Agreement that establishes a percentage of the Members required to take any action shall be amended in any respect that would have the effect of reducing such Consent requirement, unless such amendment is approved by Consent of Members whose aggregate Percentage Interests constitute not less than the voting requirement sought to be reduced. This Section 8.3 shall only be amended with the approval of the Managing Member and a Unanimous Vote of the Managing Member and Preferred Members.

8.4. *Meetings.* The Managing Member may call a meeting of the Members at any time to consider any matter on which the Members are entitled to Consent pursuant to the terms of this Operating Agreement or the Act. Preferred Members owning greater than fifty percent (50%) of the Percentage Interests held by all Preferred Members may also call a meeting by delivering to the Managing Member a request in writing stating that the signing Preferred Members desire to have a meeting of Preferred Members called with respect to a matter upon which Preferred Members have the right to Consent and indicating the specific purposes for which the meeting is to be called. Preferred Members requesting a meeting shall specify the Preferred Members and their respective Percentage Interests on whose behalf the Preferred Members are exercising the right to call a meeting and only those specified Preferred Members and Percentage Interests shall be counted for the purpose of determining whether the required percentage of Preferred Members set forth in the proceeding sentence has been met. A meeting, whether called by the Managing Member at their volition or upon the request of Preferred Members, shall be held at a time a place determined by the Managing Member on a date not more than sixty (60) days after the mailing of notice of the meeting. Notice of a meeting which is requested by Preferred Members shall be mailed within thirty (30) days after receipt by the Managing Member of such request (or such longer period as reasonably may be required for the Managing Member to comply with the requirements of any applicable securities laws).

ARIZONA GOLD PROCESSING LLC
CLASS A PREFERRED UNITS
CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM

8.5. Voting Procedures.

- (a) For purposes of determining the Members entitled to notice of or to vote at a meeting of the Members or to give Consents without a meeting as provided in Section 8.7, the Managing Member may set a Record Date which, in the case of a meeting, shall not be less than ten (10) days nor more than sixty (60) days before the date of the meeting.
- (b) Any Member shall be entitled to vote at a meeting in person or by proxy. The Managing Member may establish policies regarding the period of time for which a proxy may be valid, the manner of executing or otherwise granting proxies, the manner for delivery of proxies and like matters. Except as otherwise determined pursuant to policies adopted by the Managing Member, the law of the State of Utah pertaining to the validity and use of corporate proxies shall govern the validity and use of proxies given by Members.
- (c) Any Member may waive the requirement of the regular call and notice of meetings, or any other Consent requirement, whether before or after the meeting is held or the Consent given.
- (d) The Managing Member shall have full power and authority concerning the manner of conducting any meeting of the Members or solicitations of Consents in writing, including, without limitation, the determination of persons entitled to vote, the existence of a quorum, the conduct of voting or the manner of solicitation of Consents, the validity and effect of any proxies and the determination of any controversies, votes or challenges arising in connection with or during the meeting or the written Consent solicitation process. The Managing Member may designate a person to serve as chairman of any meeting and a person to take the minutes of any meeting, in either case, including, without limitation, a partner, director or officer of a Member. The Managing Member may make such other regulations consistent with applicable law and this Operating Agreement as it may deem advisable concerning the conduct of any meeting of the Members or solicitations of Consents in writing, including regulations regarding the appointment and duties of inspectors of votes and Consents, the submission and examination of proxies and other evidence of the right to vote, and the giving or revocation of Consents in writing.

8.6. Quorum; Adjournments. A Majority in Interest of the Members represented in person or by proxy shall constitute a quorum at a meeting of Members; provided that any action requiring approval of a specified vote of Members hereunder shall require at least such specified affirmative vote. In the absence of a quorum, any meeting of Members may be adjourned from time to time by the affirmative Consent of Members who are holders of a majority of the Percentage Interests represented either in person or by proxy. When a meeting is adjourned to another time or place, notice need not be given of the adjourned meeting and a new Record Date need not be fixed, if the time and place thereof are announced at the meeting at which the adjournment is taken, unless such adjournment shall be for more than forty-five (45) days. At the adjourned meeting, the Company may transact any business which might have been transacted at the original meeting. If the adjournment is for more than forty-five (45) days or if a new Record Date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given in accordance with this Article VIII.

8.7. Action Without a Meeting. Any action that may be taken at a meeting of the Members may be taken without a meeting if Consents in writing setting forth the action so taken are signed by Members who are record holders of not less than the minimum Percentage Interests that would be necessary to authorize or take such action at a meeting at which all the Members were present and voted. Prompt notice of the taking of action without a meeting shall be given to all Members who have not consented in writing. Whether Consents are solicited by or on behalf of the Members or by any other Person, the Managing Member may specify that any written ballot submitted to Members for the purpose of taking any action without a meeting shall be returned to the Company within the time, not less than twenty (20) days, specified by the Managing Member. Furthermore, the Managing Member in any such circumstance may identify a Record Date for determining Members entitled to consent in writing. If Consent to the taking of any action by the Members is solicited by any Person other than by or on behalf of the Managing Member, the written Consents shall have no force and effect unless and until (i) they are deposited with the Company in care of the Managing Member and (ii) such person shall have coordinated such solicitation with the Managing Member so that the Managing Member shall have had the opportunity to make determinations of policies, regulations, procedures, Record Dates and the like with respect to such solicitation and such matters shall have been complied with (it being understood that such actions by the Managing Member shall be taken in a timely manner and shall be exercised in the interest of the Company and the Members for the purpose of achieving the orderly and balanced conduct of a Consent solicitation process).

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ARTICLE IX

GENERAL PROVISIONS

9.1. *Addressees and Notices.* Any notice, demand, request or report required or permitted to be given or made to a Member under this Operating Agreement shall be in writing and shall be delivered in person, by first class mail, by nationally recognized overnight courier or by registered or certified mail, return receipt requested, to the Member at his address as shown on the records of the Company (regardless of any claim of any Person who may have an interest in any Membership Interest by reason of an assignment or otherwise).

9.2. *Titles and Captions.* All article and section titles and captions in this Operating Agreement are for convenience only, shall not be deemed part of this Operating Agreement, and in no way shall define, limit, extend, or describe the scope or intent of any provisions hereof. Except as specifically provided otherwise, references to "Articles" and "Sections" are to Articles and Sections of this Operating Agreement.

9.3. *Pronouns and Plurals.* Whenever the context may require, any pronoun used in this Operating Agreement shall include the corresponding masculine, feminine, or neuter forms, and the singular form of nouns, pronouns, and verbs shall include the plural and vice versa.

9.4. *Binding Effect.* This Operating Agreement shall be binding upon and inure to the benefit of the parties hereto and their heirs, executors, administrators, successors, legal representatives and permitted assigns.

9.5. *Integration.* This Operating Agreement constitutes the entire agreement among the parties hereto pertaining to the subject matter hereof and supersedes all prior agreements and understandings pertaining thereto.

9.6. *Waiver.* No failure by any party to insist upon the strict performance of any covenant, duty, agreement or condition of this Operating Agreement or to exercise any right or remedy consequent upon a breach thereof shall constitute a waiver of any such breach or of any covenant, agreement, term or condition. Any Member by an instrument in writing may, but shall be under no obligation to, waive any of its rights or any conditions to its obligations hereunder, or any duty, obligation or covenant of any other Member, but no waiver shall be effective unless in writing and signed by the Member making such waiver. No waiver shall affect or alter the remainder of the terms of this Operating Agreement but each and every covenant, agreement, term and condition hereof shall continue in full force and effect with respect to any other then existing or subsequent breach.

9.7. *Counterparts.* This Operating Agreement may be executed in counterparts, all of which together shall constitute one agreement binding on all the parties hereto, notwithstanding that all such parties are not signatories to the original or the same counterpart.

9.8. *ARIZONA LAW APPLICABLE.* ALL MATTERS IN CONNECTION WITH THE POWER, AUTHORITY AND RIGHTS OF THE PARTNERS AND ALL MATTERS PERTAINING TO THE OPERATION, CONSTRUCTION, INTERPRETATION OR ENFORCEMENT OF THIS AGREEMENT SHALL BE GOVERNED AND DETERMINED BY THE INTERNAL LAWS OF THE STATE OF ARIZONA, WITHOUT GIVING EFFECT TO THE PRINCIPLES OF CONFLICTS OF LAWS.

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9.9. **UTAH JURISDICTION.** EACH MEMBER (A) HEREBY IRREVOCABLY SUBMITS TO THE JURISDICTION OF THE FOURTH DISTRICT COURT OF THE STATE OF UTAH OR THE UNITED STATES DISTRICT COURT FOR THE DISTRICT OF UTAH FOR THE PURPOSES OF ANY SUIT, ACTION OR OTHER PROCEEDING ARISING OUT OF THIS AGREEMENT WHICH IS BROUGHT BY OR AGAINST THE COMPANY OR ANY MEMBER, (B) HEREBY IRREVOCABLY AGREES THAT ALL CLAIMS IN RESPECT OF ANY SUCH SUIT, ACTION OR PROCEEDING MAY BE HEARD AND DETERMINED IN ANY SUCH COURT AND (C) TO THE EXTENT THAT IT HAS ACQUIRED, OR HEREFTER MAY ACQUIRE, ANY IMMUNITY FROM THE JURISDICTION OF ANY SUCH COURT OR FROM ANY LEGAL PROCESS THEREIN, HEREBY WAIVES SUCH IMMUNITY TO THE FULLEST EXTENT PERMITTED BY LAW. EACH MEMBER HEREBY WAIVES, AND HEREBY AGREES NOT TO ASSERT, IN ANY SUCH SUIT, ACTION OR PROCEEDING, IN EACH CASE TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY CLAIM THAT (i) IT IS NOT PERSONALLY SUBJECT TO THE JURISDICTION OF ANY SUCH COURT, (ii) IT IS IMMUNE FROM ANY LEGAL PROCESS, (iii) ANY SUCH SUIT, ACTION OR PROCEEDING IS BROUGHT IN AN INCONVENIENT FORUM, (iv) VENUE OF ANY SUCH SUIT, ACTION OR PROCEEDING IS IMPROPER OR (v) THIS AGREEMENT MAY NOT BE ENFORCED IN OR BY SUCH COURT. EACH MEMBER AGREES THAT PROCESS AGAINST IT IN CONNECTION WITH ANY SUIT, ACTION OR PROCEEDING FILED IN ANY SUCH REFERENCED COURT ARISING OUT OF OR RELATING TO THIS AGREEMENT MAY BE SERVED ON IT, BY MAILING THE SAME TO SUCH MEMBER BY REGISTERED MAIL, RETURN RECEIPT REQUESTED, ADDRESSED TO SUCH MEMBER AT ITS ADDRESS FOR NOTICES UNDER THIS AGREEMENT, WITH THE SAME EFFECT IN EITHER CASE AS THOUGH SERVED UPON SUCH PERSON PERSONALLY.

9.10. **Invalidity of Provisions.** If any provision of this Operating Agreement is declared or found to be illegal, unenforceable, or void, in whole or in part, then the parties shall be relieved of all obligations arising under such provision, but only to the extent that it is illegal, unenforceable or void, it being the intent and agreement of the parties that this Operating Agreement shall be deemed amended by modifying such provision to the extent necessary to make it legal and enforceable while preserving its intent or, if that is not possible, by substituting therefor another provision that is legal and enforceable and achieves the same objectives.

9.11. **Incorporation by Reference.** This Operating Agreement has been executed by the Preferred Members set forth on Schedule A by the signing of the Subscription Agreement as set forth in the Memorandum. It is agreed that the executed copy of such Subscription Agreement may be attached to an identical copy of this Operating Agreement together with the Subscription Agreements which may be executed by other Preferred Members.

9.12. **Ratification.** The Preferred Member whose signature appears upon a true and correct copy of the Subscription Agreement as set forth in the Memorandum is hereby deemed to have specifically adopted, approved, and agreed to be legally bound by every provision in this Operating Agreement.

9.13. **Incorporation by Reference.** Every exhibit, schedule, and other appendix attached to this Operating Agreement and referred to herein, including the Memorandum, is hereby incorporated into this Operating Agreement by reference.

(Signature Page Follows)

ARIZONA GOLD PROCESSING LLC
CLASS A PREFERRED UNITS
CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM

SIGNATURES

IN WITNESS WHEREOF, the parties hereto have executed this Operating Agreement on the date set forth below, to be effective as of the Effective Date set forth above.

COMPANY:

ARIZONA GOLD PROCESSING LLC
an Arizona limited liability company

By: AZGO LLC
its Managing Member

By: _____ Effective Date: November 30, 2011

Name: _____ Title: _____

MANAGING MEMBER:

AZGO, LLC
an Arizona limited liability company

By: _____ Effective Date: November 30, 2011

Name: _____ Title: _____

PREFERRED MEMBERS:

All Preferred Members now and hereafter admitted as Preferred Members of the Company pursuant to powers now and hereafter executed in favor of, and granted and delivered to, the Company's Managers and Managing Member.

AZGO, LLC
as Agent

By: _____ Effective Date: November 30, 2011

Name: _____ Title: _____

ARIZONA GOLD PROCESSING LLC
CLASS A PREFERRED UNITS
CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM

FORM OF
"SCHEDULE A"
OF THE
OPERATING AGREEMENT
OF
ARIZONA GOLD PROCESSING LLC

SCHEDULE OF UNITS / CAPITAL CONTRIBUTIONS

Preferred Members:

_____	_____	Units	\$ _____
_____	_____	Units	\$ _____
_____	_____	Units	\$ _____
_____	_____	Units	\$ _____
_____	_____	Units	\$ _____

The undersigned hereby certifies that the above-listed persons are Preferred Members of the Company as of the specified record date.

ARIZONA GOLD PROCESSING LLC
an Arizona limited liability company

By: AZGO LLC
its Managing Member

By: X _____ Record Date: _____
Name: _____ Title: _____

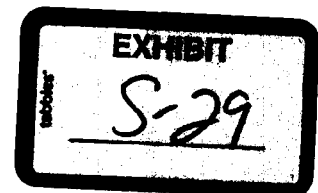
ARIZONA GOLD PROCESSING LLC
CLASS A PREFERRED UNITS
CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM

EXHIBIT C
SUBSCRIPTION INFORMATION & INSTRUCTIONS

ARIZONA GOLD PROCESSING LLC

2575 E. Camelback, Suite 450
Phoenix, Arizona 85016 USA
Telephone: (602) 343-7500

*This section alone does not constitute an offer to sell Unit(s) in the Company.
An offer may be made only by an authorized representative of the Company and the recipient must receive a complete
Memorandum including all Exhibits.*



ARIZONA GOLD PROCESSING LLC
CLASS A PREFERRED UNITS
CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM

HOW TO SUBSCRIBE FOR UNITS

1. Send the following documents to:

ARIZONA GOLD PROCESSING LLC
Administrative Office*
4692 North 300 West, Suite 210
Provo, Utah 84604 USA
Facsimile: (801) 802-9101
E-mail: info@arizonagoldprocessing.com

*NOTE: Sending to our Phoenix office is also acceptable, but may cause a delay in processing your paperwork.

- ☐ One executed copy of the "Suitability Questionnaire"; and
- ☐ One executed copy of the "Subscription Agreement"

2. Send funds to the same above address payable to "ARIZONA GOLD PROCESSING LLC" in the amount of \$16,750 per Unit.

FOR BANK WIRE INSTRUCTIONS, PLEASE CALL (602) 343-7500.

Applications will be accepted or rejected within fifteen (15) days of their receipt. If rejected, all monies tendered will be returned in full without interest or further obligation.

ARIZONA GOLD PROCESSING LLC
CLASS A PREFERRED UNITS
CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM

SUITABILITY QUESTIONNAIRE

IMPORTANT NOTICE TO ALL SUBSCRIBERS:

The Units of Class A Preferred Membership Interest (the "Units") offered in ARIZONA GOLD PROCESSING LLC, an Arizona limited liability company ("we", "us", "our" or the "Company"), will not be registered under the Securities Act of 1933, as amended (the "Act"), nor under the laws of any state. Accordingly, in order to ensure that the offer and sale of Units are exempt from registration, and in order to determine your suitability as a Preferred Member of the Company, the Company must be reasonably satisfied after making reasonable inquiry that you, or your representative if used, have such knowledge and experience in financial and business matters that you are (or together with your representative are) capable of evaluating the merits and risks of investing in the Units (i.e., you are a "sophisticated" investor) or that you are an "accredited investor" as that term is defined under the Act. Also, the Company needs adequate assurance that you are able to bear the economic risk of this investment and that you meet the financial requirements to be a Preferred Member. This confidential Suitability Questionnaire is designed to provide the Company with the information necessary to make a reasonable determination of whether you satisfy these suitability requirements. The information supplied in this confidential Suitability Questionnaire will be disclosed to no one without your consent other than to (i) the Company and its Affiliates, Managers, employees, agents, accountants and counsel, (ii) state and federal securities authorities or other regulatory organizations, if deemed necessary to use such information to support exemptions from registration under the Act and applicable state laws which it claims for the Offering, or (iii) others as may be required by law. **BECAUSE WE WILL RELY ON YOUR ANSWERS IN ORDER TO COMPLY WITH FEDERAL AND STATE SECURITIES LAWS, IT IS IMPORTANT FOR YOU TO CAREFULLY ANSWER EACH QUESTION.**

PLEASE TYPE OR PRINT THE FOLLOWING INFORMATION BELOW:

Full legal name(s) of Subscriber(s): _____

Address: _____ City: _____ State: _____ Zip Code: _____

Taxpayer Identification Number: _____ Telephone: _____ *E-mail: _____

***NOTE:** By providing an e-mail address, above, I authorize the Company's management, until further notice, to send correspondence electronically to such address in lieu of mailing paper correspondence to my physical or mailing address.

Legal Form of Ownership (circle only one):

Single Ownership	Joint Tenants with Rights of Survivorship	Tenants in Common
Corporation	Husband and Wife as Community Property	Pension Plan
Partnership	Trust (date: _____)	Non-Profit Organization
Limited Liability Company	Other: _____	

Subscriber Suitability: (If applicable, please check only one box and provide additional information as appropriate)

☐ I am an "accredited investor" as defined in Rule 501(a) of the Securities Act of 1933, as amended (See "Who May Invest" section of the Memorandum) due to one of the following (If checked, please initial one or more of the following if applicable and then skip to Item 4, on reverse).

_____ I am a natural person whose individual net worth (exclusive of the value of my primary residence), or joint net worth with my spouse, presently exceeds \$1,000,000.

_____ I am a natural person who had an individual income in excess of \$200,000 in each of the two most recent years or joint income with my spouse in excess of \$300,000 in each of those years and I reasonably expect reaching the same income level in the current year.

_____ I am a corporation, partnership, limited liability company, or other entity in which all of the equity owners are "accredited investors" (each meeting at least one of these suitability requirements).

_____ I am a trust with total assets in excess of \$5,000,000 and was not formed for the specific purpose of acquiring Units, the trustee of which has such knowledge and experience in real estate and/or financial and business matters that they are capable of evaluating the merits and risks of investing in the Units.

_____ I am either a bank, savings and loan association or other financial institution; a registered securities broker or securities dealer; an insurance company; a registered investment company or business development company; a licensed Small Business Investment Company; or a private business development company.

_____ I am a state-sponsored pension plan with total assets in excess of \$5,000,000.

_____ I am an employee benefit plan which either (a) has a fiduciary that is a bank, savings and loan association, insurance company, or registered investment adviser; (b) has total assets in excess of \$5,000,000; or (c) is a self-directed plan and investment decisions are made solely by persons that are "accredited investors" (meeting at least one of the listed suitability requirements).

_____ I am a non-profit organization described in section 501(c)(3) of the Internal Revenue Code that was not formed for the specific purpose of acquiring Units and have total assets in excess of \$5,000,000.

_____ I am a director, executive officer, general partner, member or Manager of the Company.

ARIZONA GOLD PROCESSING LLC
CLASS A PREFERRED UNITS
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OR

☐ I am NOT an "accredited investor" as defined above (check here if uncertain or if you do not meet any of the foregoing criteria and provide the following additional information).

My current net worth is: \$ _____

Occupation or position of individual filling out questionnaire: _____

Educational background: _____

Number of years of experience in occupation: _____ Number of years investment experience: _____ Age: _____

If you are NOT an "accredited investor", and if applicable to you, please check only one of the following representations:

☐ I have such knowledge and experience in investing and/or financial and business matters that I am capable of evaluating the merits and risks of investing in the Units and DO NOT desire a representative to advise me of such risks. I understand that the Company's management, in their sole discretion, may nevertheless require me to be represented by a representative, or if required under applicable laws and regulations.

OR

☐ I intend to use the services of the following named person(s): _____ as my representative(s) to evaluate the merits and risks of investing in the Units. I understand that such representative(s) cannot be an affiliate, director, officer, manager, employee or beneficial owner of the Company and that they must have such knowledge and experience in real estate investing and/or financial and business matters so as to be capable of evaluating alone, or together with my other representatives, or together with myself, the merits and risks of investing in the Units. By initialing above, I hereby acknowledge the above-referenced person(s) to be my representative(s) in connection with evaluating the merits and risks of investing in the Units. I realize that my representative(s) must disclose in writing prior to my contribution of capital to the Company, any material relationship between other Partners or the Company and themselves or their affiliates that then exist, that is mutually understood to be contemplated, or that has existed at any time during the previous two years, and any compensation received or to be received as a result of such relationship. Such representative(s) address and telephone numbers are as follows (attach additional pages if necessary): _____

If you are NOT an "accredited investor", please describe any other business, financial or related experience that you have had that would allow the Company to reasonably conclude that you are capable of protecting your interests in connection with your prospective investment in the Units. If none, so state: (attach additional sheets if necessary): _____

Subscriber Representation:

In order to further induce the Company to accept this subscription, I represent and warrant the following to be true: I have a degree of "sophistication" related to investment matters as indicated above or otherwise qualify as an "Accredited Investor" under the Act. I further represent that I satisfy any other minimum income and/or net worth standards imposed by the jurisdiction in which I reside, if different from the standards set forth in the Memorandum or any supplement thereto. If I am acting in a representative capacity for a corporation, partnership, trust or other entity, or as agent for any person or entity, I hereby represent and warrant that I have full authority to subscribe for Units in such capacity. If I am subscribing for Units in a fiduciary capacity, the representations and warranties herein shall be deemed to have been made on behalf of the person or persons for whom I am subscribing. Under penalties of perjury, I certify that (1) the number provided herein is my correct Taxpayer Identification Number or Social Security Number; and (2) I am not subject to backup withholding either because I have not been notified that I am subject to backup withholding as a result of a failure to report all interest or dividends, or the Internal Revenue Service has notified me that I am no longer subject to backup withholding.

BY EXECUTING BELOW, I REPRESENT AND WARRANT THAT THE INFORMATION CONTAINED IN THIS QUESTIONNAIRE IS TRUE, ACCURATE AND COMPLETE.

X _____
Authorized Signature

Date

Name of Signatory

Title (if applicable)

Name of Entity (if applicable)

X _____
Second Authorized Signature (if applicable)

Date

Name of Signatory

Title (if applicable)

ARIZONA GOLD PROCESSING LLC
CLASS A PREFERRED UNITS
CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM

SUBSCRIPTION AGREEMENT

To: ARIZONA GOLD PROCESSING LLC

Subscription Amount: \$ _____ (\$16,750 per Unit)

From:

(Full legal name(s) of Subscriber(s))

Initials of Subscriber(s): _____

Number of Class A Units Purchased: _____

(for office use only)

(to be filled in by an officer of the Company's Managing Member)

Ladies and Gentlemen:

I, the undersigned subscriber(s), desire to become a Class A Preferred Member in ARIZONA GOLD PROCESSING LLC, an Arizona limited liability company (the "Company"). I hereby subscribe for and agree to purchase the above-indicated number of Units of Class A Preferred Membership Interest (the "Units") in the Company as described in the Operating Agreement, as amended, which is incorporated herein by reference as if fully set forth (the "Operating Agreement") as set forth and further described in the Company's Confidential Private Placement Memorandum dated December 5, 2011, as may be amended or supplemented from time to time (the "Memorandum"), receipt of which in either paper or electronic format is acknowledged, upon acceptance of this Subscription Agreement by the Company's Managing Member. I am delivering with this Subscription Agreement a check or bank wire payable to the order of "ARIZONA GOLD PROCESSING LLC" in the amount for each Unit to which this Subscription Agreement relates. I acknowledge that the Company has the unconditional right to accept or reject this Subscription Agreement for any or no reason. I acknowledge that if for any reason the Company rejects my subscription that my funds will be refunded promptly without interest or further obligation on my part.

By executing this Subscription Agreement, I further acknowledge that I have received the Memorandum in either paper or electronic format and the Operating Agreement in the form included as an exhibit therein (the "Operating Agreement") and that I am familiar with and understand each of the terms contained therein including the "Risk Factors" section set forth in the Memorandum. I fully accept such risks and acknowledge that no guarantee has been given that I will receive back any of my investment and that I may, in fact, lose my entire investment. I represent and warrant, in determining to purchase Units, that I have relied solely upon the Memorandum (including any exhibits thereto) and the advice of my own legal counsel and accountants or other financial advisers with respect to the tax and other consequences involved in purchasing Units. I acknowledge that the Units being acquired will be governed by the terms and conditions of the Operating Agreement, which I accept and to which I agree to be legally bound.

I represent and warrant that I have investment sophistication and a net worth of at least the amount indicated and/or otherwise qualify as an "Accredited Investor" under the Act, as represented by my signature on my Suitability Questionnaire which is incorporated by reference as if fully set forth herein. I further represent and warrant that the Units being acquired will be acquired for my own account without a view to public distribution or resale and that I have no contract, undertaking, agreement or arrangement to sell or otherwise transfer or dispose of any Units or any portion thereof to any other Person. I represent and warrant that I can bear the economic risk of the purchase of Units including the total loss of my investment and that I have such knowledge and experience in business and financial matters, including the analysis of or participation in offerings of this nature, as to be capable of evaluating the merits and risks of an investment in the Units, or that I am being advised by others (acknowledged by me as being my "Purchaser Representative(s)") such that together we are capable of making such evaluation.

I understand that the Units have not been registered under the Securities Act of 1933, as amended (the "Act"), or the securities laws of any state and are subject to substantial restrictions on transfer as described in the Memorandum which restrictions are in addition to certain other restrictions set forth in the Operating Agreement. I agree that I will not sell or otherwise transfer or dispose of any Units or any portion thereof unless (i) such Units are registered under the Act and any applicable state securities laws or, if required by the Company, I obtain an opinion of counsel that it is satisfactory to the Company that such Units may be sold in reliance on an exemption from such registration requirements and (ii) the transfer is otherwise made in accordance with the Operating Agreement. I understand that the Company has no obligation or intention to register any Units for resale or transfer under the Act or any state securities laws or to take any action (including the filing of reports or the publication of information as required by Rule 144 under the Act) which would make available any exemption from the registration requirements of any such laws and therefore I may be precluded from selling or otherwise transferring or disposing of any Units or any portion thereof for an indefinite period of time or at any particular time. I also understand and acknowledge that, unless waived by the Managing Member in its sole discretion, my Units are subject to Redemption in the event a Redemption Event occurs and that in such case thereafter I will no longer be a Member of the Company.

I acknowledge that I have relied upon the advice of my own legal counsel and accountants or other financial advisers with respect to the tax and other considerations relating to the purchase of Units and have been offered, during the course of discussions concerning the purchase of Units, the opportunity to ask such questions and inspect such documents concerning the Company and its business and affairs so as to understand more fully the nature of the investment and to verify the accuracy of the information supplied. I represent and warrant that (i) if an individual, I am at least 21 years of age; (ii) I have adequate means of providing for my current needs and personal contingencies; (iii) I have no need for liquidity in my investments; (iv) I maintain my principal residence or principal place of business at the address provided in the attached Suitability Questionnaire, which is incorporated herein by reference; (v) all investments in and commitments to non-liquid investments are, and after the purchase of Units will be, reasonable in relation to my net worth and current needs; and (vi) any financial information that I provide herewith or that I subsequently submit at the request of the Company, does or will accurately reflect my financial condition in the which I do not anticipate any material adverse change. I understand that no federal or state agency including the U.S. Securities and Exchange Commission or the securities commission or authorities of any other state have approved or disapproved the Units, passed upon or endorsed the merits of the Offering of Units or the accuracy or adequacy of the Memorandum, or made any finding or determination as to the fairness of the Units for investment. I understand that the Units are being offered and sold in reliance on specific exemptions from the registration requirements of federal and state laws and that the Company is relying upon the truth and accuracy of the representations, warranties, agreements, acknowledgments and understandings set forth herein in order to determine my suitability to acquire Units.

I represent, warrant and agree that if I am acquiring Units in a fiduciary capacity, (i) the above representations, warranties, agreements, acknowledgments and understandings shall be deemed to have been made on behalf of the person or persons for whose benefit such Units are being

ARIZONA GOLD PROCESSING LLC
CLASS A PREFERRED UNITS
CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM

acquired, (ii) the name of such person or persons is indicated below under the subscriber's name and (iii) such further information as the Company deems appropriate shall be furnished regarding such person or persons. I represent and warrant that the attached Suitability Questionnaire is true and complete and agree that the Company may rely on the truth and accuracy of such information for purposes of assuring the Company, the Managing Member, and its Affiliates that they may rely on the exemptions from the registration requirements of the Act and of any applicable state statutes or regulations; and, further agree that the Company and its Affiliates may present such information to such parties as it deems appropriate if called upon to verify the information provided or to establish the availability of an exemption from registration under the Act or any state securities statutes or regulations or if the contents are relevant to any issue in any action, suit or proceeding which it is or may be bound.

I further hereby irrevocably constitute and appoint, with full power of substitution, the Company's Managers as my agents, with full power and authority in my name, place and stead to make, execute, swear to, acknowledge, deliver, file and record: (1) All certificates, instruments, documents and other papers (including without limitation any business certificate, fictitious name certificate, and articles of organization) and amendments thereto which may from time to time be required under the laws of the United States of America or the State of Arizona, or required by any political subdivision or agency of any of the foregoing or otherwise, or which the Company deems appropriate or necessary, to qualify or to continue the qualification of the Company as a limited liability company, to qualify as a foreign limited liability company, to register the Company as a registered limited liability company, to carry on the objects and intent of the Operating Agreement, to conduct the business and affairs of the Company, to admit, substitute or delete Members in the Company and to effect the termination and dissolution of the Company; and (2) All instruments that the Company deems appropriate to reflect a change or modification of the Company in accordance with the terms of the Operating Agreement and all amendments and/or restatements of the Operating Agreement adopted in accordance with the provisions thereof; and (3) All conveyances and other instruments that the Company deems appropriate to effect the transfer of interests in the Company, to admit, substitute or delete Members, to sell, exchange or dispose of assets of the Company, to borrow money and otherwise to enter into financing transactions in the name of or otherwise on behalf of the Company and to reflect the dissolution and termination of the Company. The agency granted hereby shall be deemed to be a power coupled with an interest, shall survive my death or legal incapacity, and shall survive the delivery of an assignment by me of all or any portion of my interest in the Company or any interest therein except that, when the assignee thereof has been approved by the Company for admission to the Company as a Member, the power shall survive the delivery of such assignment with respect to the assigned interest only for the purpose of enabling the Company to execute, acknowledge and file any instruments necessary to effect such substitution.

In the event the Company makes a distribution, please deliver to me as follows (PLEASE CHECK ONE OF THE FOLLOWING):

☐ MAIL A CHECK to the following address:
(if different from my Questionnaire address)

☐ WIRE funds to the following account: ABA Routing No.: _____ Account No.: _____
Bank Name: _____ Bank Telephone: _____
Bank Address: _____

IN WITNESS WHEREOF, intending to be irrevocably and legally bound, together with my personal representative(s), if any, my successors and assigns, I hereby execute, adopt and agree to all of the terms, conditions, representations and agreements of the Memorandum including all exhibits, as amended and supplemented from time to time, the Operating Agreement, as amended, the attached Suitability Questionnaire, and this Subscription Agreement and agent designation set forth above as of the date indicated.

X _____
Authorized Signature

Date

Name of Signatory

Title (if applicable)

Name of Entity (if applicable)

X _____
Second Authorized Signature (if applicable)

Date

Name of Signatory

Title (if applicable)

ACCEPTANCE:

ARIZONA GOLD PROCESSING LLC, an Arizona limited liability company

By: AZGO, LLC, its Managing Member

By: X _____ Date: _____

Name: _____ Title: _____

Plant Operations

Arizona Gold Processing Plant

	1 Gold Processing Summary - 1 Gold Processing Summary - pdf	1.9 MiB 574 Downloads Details...
	2 MRM53Video MRM53Video.mp4	20.8 MiB 279 Downloads Details...
	3 Sub Docs sub doc AGP LCC Class A Pl Units.pdf	175.3 KiB 232 Downloads Details...
	4 Red Ore Supply Agreement Red Ore Supply Agreement's.pdf	5.7 MiB 163 Downloads Details...
	5 Claim Verification Letter CLAIM VERIFICATION LETTER.pdf	21.5 KiB 128 Downloads Details...
	6 PPM Arizona Gold Processing LLC PPM Arizona Gold Processing LLC.pdf	867.7 KiB 194 Downloads Details...

EXHIBIT “I”



WTF Asia International LTD.
福州拓生资源技术有限公司
Waste to Fuels Asia Inc.

Email: info@wtfaia.com Web: www.wtfaia.com
Add: Juyuanzhou Municipal Industrial Estates 40# Jinshan Road 618#
Cangshan District, Fuzhou City, Fujian Province, China 350000
Tel: 86-591-83743382 86-591-83747738
Fax: 86-591-83741838

Arizona Gold Processing LLC
2575 E. Camelback Road, Suite 450
Phoenix, AZ 85016 USA

January 6, 2012

WTF Asia International would like to thank you for your order. The MRM-Lab200 unit order has completed Phase I, material procurement and production scheduling, and is now in Phase II stage, manufacturing of unit. After Phase II, the order will enter Phase III, testing and crating of unit. Phase IV is shipping, arrival, decrating, setup, installation, training and testing. Phase V is the operational phase and turn over to your Company.

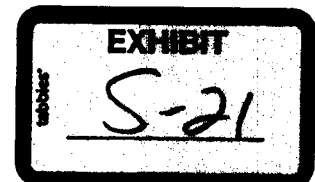
WTF Asia International looks forward to each Phase and will keep you apprised on the progress of your order all the way up to shipping.

Again, we at WTF Asia International wish to say Thank You for your order and look forward to a successful continued business relationship in the future.

Best Regards,

Dr. Patrick Hayes
Dr. Patrick Hayes PhD
CEO

WTF Asia International, Ltd.



(951) 296-9927

Law Offices of
Christopher S. Hammatt
41877 Enterprise Circle North, Suite 211
Temecula, CA 92591
Bar No. 222209

FAX (951) 296-9928

December 1, 2011

Arizona Gold Processing LLC
2575 East Camelback Road
Suite 450
Phoenix, Arizona 85016

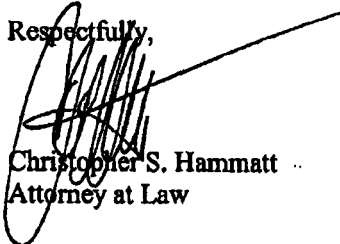
RE: BLM Verification – Active Claim

To Whom It May Concern:

I have reviewed the information provided to me regarding a certain Arizona Mining Claim. Using information available online from the United States Department of the Interior, Bureau of Land Management, Mining Claims Office, I am able to verify the claim by both Serial and File Numbers. No Warranty is made by the BLM website for use of the data that was provided nor intended by BLM.

The claim is currently listed as Active with the required Maintenance Fees paid annually since 1997 and current and in good standing through 2012.

Respectfully,


Christopher S. Hammatt
Attorney at Law

CSH/rth



ACC000041
FILE #8331

EXHIBIT “J”

STATE OF ARIZONA

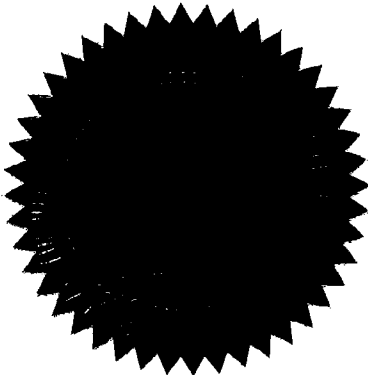


Corporation Commission

CERTIFICATION

I, Mark Dinell, certify that I am the Assistant Director of the Arizona Corporation Commission's Securities Division and that I have legal custody of the records of the Securities Division. I certify that I have directed a diligent search of the Securities Division records and the records reflect that during the period of January 1, 2011 to August 16, 2012, Arizona Gold Processing, LLC has not filed with the Arizona Corporation Commission a notice pursuant to A.R.S. § 44-1850 of the Securities Act of Arizona or Article 12 of the Arizona Investment Management Act (A.R.S. § 44-3321 *et seq.*); has not registered securities with the Arizona Corporation Commission by description pursuant to Article 6 of the Securities Act of Arizona (A.R.S. § 44-1871 *et seq.*) or by qualification pursuant to Article 7 of the Securities Act of Arizona (A.R.S. § 44-1891 *et seq.*); has not registered with the Arizona Corporation Commission as a dealer pursuant to Article 9 of the Securities Act of Arizona (A.R.S. § 44-1941 *et seq.*); and has not made a notice filing or licensed with the Arizona Corporation Commission as an investment adviser pursuant to Article 4 of the Arizona Investment Management Act (A.R.S. § 44-3151 *et seq.*)

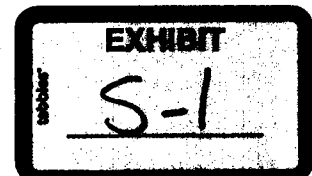
IN WITNESS WHEREOF, I HAVE HEREUNTO SET MY HAND AND AFFIXED THE OFFICIAL SEAL OF THE ARIZONA CORPORATION COMMISSION, AT THE CAPITOL, IN THE CITY OF PHOENIX, THIS 22nd DAY OF AUGUST, 2012.



BY

A handwritten signature in cursive script, appearing to read "Mark Dinell", written over a horizontal line.

Mark Dinell
Assistant Director
Securities Division



STATE OF ARIZONA



Corporation Commission

CERTIFICATION

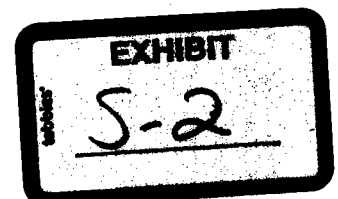
I, Mark Dinell, certify that I am the Assistant Director of the Arizona Corporation Commission's Securities Division and that I have legal custody of the records of the Securities Division. I certify that I have directed a diligent search of the Securities Division records and the records reflect that during the period of January 1, 2011 to August 16, 2012, AZGO, LLC has not filed with the Arizona Corporation Commission a notice pursuant to A.R.S. § 44-1850 of the Securities Act of Arizona or Article 12 of the Arizona Investment Management Act (A.R.S. § 44-3321 *et seq.*); has not registered securities with the Arizona Corporation Commission by description pursuant to Article 6 of the Securities Act of Arizona (A.R.S. § 44-1871 *et seq.*) or by qualification pursuant to Article 7 of the Securities Act of Arizona (A.R.S. § 44-1891 *et seq.*); has not registered with the Arizona Corporation Commission as a dealer pursuant to Article 9 of the Securities Act of Arizona (A.R.S. § 44-1941 *et seq.*); and has not made a notice filing or licensed with the Arizona Corporation Commission as an investment adviser pursuant to Article 4 of the Arizona Investment Management Act (A.R.S. § 44-3151 *et seq.*)

IN WITNESS WHEREOF, I HAVE HEREUNTO SET MY HAND AND AFFIXED THE OFFICIAL SEAL OF THE ARIZONA CORPORATION COMMISSION, AT THE CAPITOL, IN THE CITY OF PHOENIX, THIS 22nd DAY OF AUGUST, 2012.

BY

A handwritten signature in black ink, appearing to read "Mark Dinell", written over a horizontal line.

Mark Dinell
Assistant Director
Securities Division



STATE OF ARIZONA

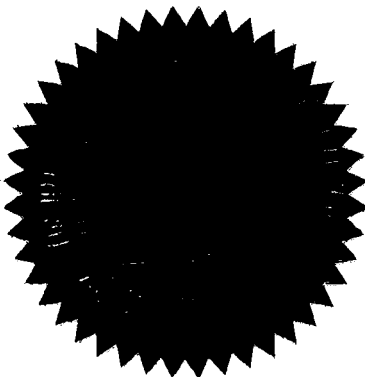


Corporation Commission

CERTIFICATION

I, Mark Dinell, certify that I am the Assistant Director of the Arizona Corporation Commission's Securities Division and that I have legal custody of the records of the Securities Division. I certify that I have directed a diligent search of the Securities Division records and the records reflect that during the period of January 1, 2011 to August 16, 2012, Charles Lynn Robertson has not registered with the Arizona Corporation Commission as a securities salesman or dealer pursuant to Article 9 of the Securities Act of Arizona (A.R.S. § 44-1941 *et seq.*); and has not made a notice filing or licensed with the Arizona Corporation Commission as an investment adviser or investment adviser representative pursuant to Article 4 of the Arizona Investment Management Act (A.R.S. § 44-3151 *et seq.*)

IN WITNESS WHEREOF, I HAVE HEREUNTO SET MY HAND AND AFFIXED THE OFFICIAL SEAL OF THE ARIZONA CORPORATION COMMISSION, AT THE CAPITOL, IN THE CITY OF PHOENIX, THIS 22nd DAY OF AUGUST, 2012.



BY


Mark Dinell
Assistant Director
Securities Division

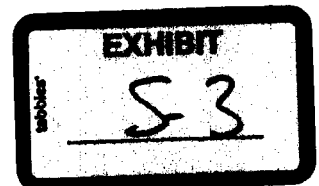


EXHIBIT “K”

1 STATE OF ARIZONA)

2 County of Maricopa)
3 _____)

AFFIDAVIT OF WILLIAM SANTEE

4
5 I, William Santee, being duly sworn, say as follows:

6 1. I am a resident of Maricopa County, Arizona and am over the age of
7 eighteen (18).

8 2. I have personal knowledge of the matters stated in this affidavit and am
9 competent to testify to them.

10 3. I understand that this affidavit may be used in a court of law.

11 4. I am a Special Investigator for the Securities Division ("Securities
12 Division") of the Arizona Corporation Commission. I have been employed in that capacity since
13 February 2012.

14 5. I was a Certified Peace Officer in the State of Colorado from July of 1973 until
15 January of 1994 and retired with the rank of Sergeant. I was also a Vice-President with Corporate
16 Security for Wells Fargo Bank, conducting investigations of all threats against the Bank, its
17 employees and customers, from February of 1997 until February of 2007. I received a Bachelor of
18 Science Degree in Management from Grand Canyon University in Phoenix Arizona in 2005 and
19 an Associates Degree in Criminal Justice from Red Rocks Community College in Lakewood
20 Colorado in 1991.

21 6. My duties with the Division include serving as lead investigator on securities
22 related matters being investigated by the Division. They include, but are not limited to,
23 interviewing victims, witnesses and suspects, examination of various forms of evidence,
24 management of the case file, preparation and service of subpoenas and other legal documents, the
25 preparation and submittal of reports, and, when necessary, providing testimony in various judicial
26 forums, including but not limited to administrative hearings and Maricopa County Superior Court.

1 7. My assignment as lead investigator in this matter began in February 2012. During
2 the course of the investigation, the Securities Division issued subpoenas requiring the production
3 of records and testimony in an investment programs identified as Arizona Gold Processing LLC. I
4 also interviewed a number of individuals who were offered and/or sold interest in Arizona Gold
5 Processing, LLC.

6 8. I was present on May 30, 2012, when Wendy Coy, Senior Counsel with the
7 Securities Division informed counsel for the Respondents, Scott Theobald that continued offers
8 and sales of units in Arizona Gold Processing LLC by the Respondents would constitute a
9 violation of the Temporary Cease and Desist Order. Respondents' counsel stated that he believed
10 that offers and sales of Arizona Gold Processing LLC units by out-of-state promoters to out-of-
11 state investors would not violate the Temporary Cease and Desist Order.

12 9. On June 12, 2012, I was present during Charles Robertson's examination under
13 oath. A discussion was held between Wendy Coy and Mr. Robertson, Darin Mangum, corporate
14 counsel and member of Arizona Gold Processing, LLC and AZGO, LLC, and Scott Theobald,
15 regarding on-going offers and sales of units in Arizona Gold Processing LLC. Upon the
16 Respondents indicating that further sales of units were being made to out-of-state investors by out-
17 of-state promoters, Ms. Coy notified Respondents and counsel continued offers and sales, even by
18 out-of-state promoters to out-of-state investors would be a violation of the Temporary Cease and
19 Desist Order.

20 10. I conducted interviews with offerees and investors in Arizona Gold Processing
21 LLC. A number of the individuals I spoke with were contacted or invested after April 6, 2012,
22 which is when the Temporary Cease and Desist Order was filed. Those that invested after April 6,
23 2012, were not told that the Arizona Corporation Commission, Securities Division had filed a
24 Temporary Cease and Desist Order against Arizona Gold Processing LLC, AZGO LLC and
25 Charles Robertson.

EXHIBIT “L”

Wendy Coy

From: Mark A. Nickel [man@theobaldlaw.net]
Sent: Friday, August 31, 2012 5:46 PM
To: Wendy Coy
Cc: Scott M. Theobald; Darin H. Mangum, Esq. (darin@mangumlaw.net)
Subject: RE:
Attachments: 2012.08.31 Respondents' List of Witnesses and Exhibits.pdf

Wendy,

The attached was filed today. A CD of the Exhibits was hand-delivered to your office and also to the ALJ. We received the hard copy of your Exhibits. Please do let us know when on Tuesday the electronic version will be available.

Regards,

Mark

Mark A. Nickel
Theobald Law, PLC
3219 East Camelback Road, #350
Phoenix, Arizona 85018
man@theobaldlaw.net
Office: (602) 288-8376
Fax: (602) 680-3315

This message and any attachment(s) to it contain information that is confidential and likely subject to the attorney-client privilege. If you are not the intended recipient(s), then, unless otherwise expressly indicated: (i) you may not read, use, copy or distribute this information for any purpose; (ii) no privilege has been waived by your inadvertent receipt of this message and attachment(s); and (iii) please notify the sender by reply e-mail of your receipt, and delete this message and any attachment(s). Tax advice contained in this message may not be used by any person, including intended recipient(s), for the purpose of avoiding tax-related penalties under the Internal Revenue Code or under applicable state or local tax laws.

From: Wendy Coy [mailto:WCoy@azcc.gov]
Sent: Friday, August 31, 2012 1:32 PM
To: Scott M. Theobald; 'darin@mangumlaw.net'
Subject:

Scott and Darin -

A hard copy of the exhibits are available to be picked up at my office. An electronic version will not be ready until Tuesday.

Wendy

10/9/2012

Wendy L. Coy
Senior Counsel
Arizona Corporation Commission
Securities Division
1300 W. Washington, 3rd Floor
Phoenix, AZ 85007
602-542-0633

===== This footnote confirms that this email
message has been scanned to detect malicious content. If you experience problems, please e-mail
postmaster@azcc.gov =====

EXHIBIT “M”

Wendy Coy

From: Mark A. Nickel [mailto:man@theobaldlaw.net]
Sent: Friday, September 07, 2012 3:22 PM
To: Wendy Coy
Cc: Scott M. Theobald; Darin H. Mangum, Esq. (darin@mangumlaw.net)
Subject: Re: RE:

Please mail it. Thank you.

Sent from my iPhone

On Sep 7, 2012, at 3:11 PM, "Wendy Coy" <WCoy@azcc.gov> wrote:

The disk is ready. I will leave it at the front desk. If you prefer we mail it, please let me know.

From: Mark A. Nickel [mailto:man@theobaldlaw.net]
Sent: Thursday, September 06, 2012 2:15 PM
To: Wendy Coy
Cc: Scott M. Theobald; Darin H. Mangum, Esq. (darin@mangumlaw.net)
Subject: RE:

Wendy—are the electronic version of the exhibits ready? Regards, Mark

Mark A. Nickel
Theobald Law, PLC
3219 East Camelback Road, #350
Phoenix, Arizona 85018
man@theobaldlaw.net
Office: (602) 288-8376
Fax: (602) 680-3315

This message and any attachment(s) to it contain information that is confidential and likely subject to the attorney-client privilege. If you are not the intended recipient(s), then, unless otherwise expressly indicated: (i) you may not read, use, copy or distribute this information for any purpose; (ii) no privilege has been waived by your inadvertent receipt of this message and attachment(s); and (iii) please notify the sender by reply e-mail of your receipt, and delete this message and any attachment(s). Tax advice contained in this message may not be used by any person, including intended recipient(s), for the purpose of avoiding tax-related penalties under the Internal Revenue Code or under applicable state or local tax laws.

From: Mark A. Nickel
Sent: Friday, August 31, 2012 5:46 PM
To: Wendy L. Coy, Esq. (wcoy@azcc.gov)

10/9/2012

Cc: Scott Theobald, Esq. (smt@theobaldlaw.net); Darin H. Mangum, Esq. (darin@mangumlaw.net)
Subject: RE:

Wendy,

The attached was filed today. A CD of the Exhibits was hand-delivered to your office and also to the ALJ. We received the hard copy of your Exhibits. Please do let us know when on Tuesday the electronic version will be available.

Regards,

Mark

Mark A. Nickel
Theobald Law, PLC
3219 East Camelback Road, #350
Phoenix, Arizona 85018
man@theobaldlaw.net
Office: (602) 288-8376
Fax: (602) 680-3315

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From: Wendy Coy [<mailto:WCoy@azcc.gov>]
Sent: Friday, August 31, 2012 1:32 PM
To: Scott M. Theobald; 'darin@mangumlaw.net'
Subject:

Scott and Darin -

A hard copy of the exhibits are available to be picked up at my office. An electronic version will not be ready until Tuesday.

Wendy

Wendy L. Coy
Senior Counsel
Arizona Corporation Commission
Securities Division
1300 W. Washington, 3rd Floor
Phoenix, AZ 85007

10/9/2012

602-542-0633

===== This footnote confirms that this
email message has been scanned to detect malicious content. If you experience problems,
please e-mail postmaster@azcc.gov
=====

===== This footnote confirms that this
email message has been scanned to detect malicious content. If you experience problems,
please e-mail postmaster@azcc.gov
=====

EXHIBIT “N”

SUBPOENA

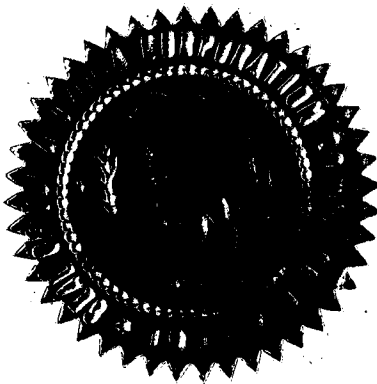
SECURITIES DIVISION

ARIZONA CORPORATION COMMISSION

TO Custodian of Records
Arizona Gold Processing LLC
c/o Scott M. Theobald
Theobald Law, PLC
3219 East Camelback Road, #350
Phoenix, Arizona 85018

In the matter of
Arizona Gold Processing file number 8331
involving possible violations of the Securities Act
and/or Investment Management Act of Arizona.

PURSUANT TO A.R.S. § 44-1823 AND A.R.S. § 44-3133, YOU ARE HEREBY REQUIRED to appear before Wendy Coy of the Securities Division of the Arizona Corporation Commission at 1300 West Washington, Third Floor, Phoenix, Arizona 85007, on the 17th day of September, 2012 at 9:00 a.m., to PRODUCE THE DOCUMENTS SPECIFIED IN EXHIBIT "A", which is attached and incorporated by reference.



The seal of the Arizona Corporation Commission is affixed hereto, and the undersigned, a member of said Arizona Corporation Commission, or an officer designated by it, has set his hand at Phoenix, Arizona this 31st day of August, 2012.

Mark Dinell
Securities Division

Information and documents obtained by the Securities Division in the course of an investigation are confidential, unless made a matter of public record. The Securities Division may disclose the information or documents to a county attorney, the attorney general, a United States Attorney, or to law enforcement or regulatory officials to be used in any administrative, civil, or criminal proceeding. You may, in accordance with the rights guaranteed to you by the Fifth Amendment of the Constitution of the United States, refuse to give any information that might establish a direct link in a chain of evidence leading to your criminal conviction.

Persons with a disability may request a reasonable accommodation such as a sign language interpreter, as well as request this document in an alternative format, by contacting Shaylin A. Bernal, Executive Assistant to the Executive Director, voice phone number 602/542-3931, e-mail sabernal@azcc.gov. Requests should be made as early as possible to allow time to arrange the accommodation.

Pursuant to A.R.S. § 44-1825 and A.R.S. § 44-3134, failure to comply with this subpoena may result in the application for a finding of contempt.

Pursuant to A.A.C. R14-4-304, any person required to appear at a formal interview may be represented by legal counsel.

AFFIDAVIT OF SERVICE (INDIVIDUAL)

State of Arizona)
County of _____) ss.:

_____, being duly sworn, deposes and says:

I, for the Securities Division of the Arizona Corporation Commission, Phoenix, Arizona, served an original of this subpoena by:

_____ Personal Service on the person named in the subpoena.

_____ Leaving a copy at the dwelling house of the person named in the subpoena with a person of suitable age (not less than 16 years of age) and discretion, then residing there.

_____ Leaving a copy at the usual place of business or employment of the person named in the subpoena with an employee, express or implied agent, supervisor, owner, officer, partner, or other similar person of suitable age and discretion (not less than 16 years of age).

_____ Leaving a copy with an agent authorized by express or implied appointment or by law to receive process for the person named in the subpoena.

_____ Mailing a copy, by certified mail with return receipt requested, in an envelope addressed to the last known dwelling house or usual place of abode or last known business address, postage prepaid.

Name of Person Served: _____

Relationship to Person Named: _____

Place of Service: _____

Time and Date of Service: _____

Service Performed by: _____

Title: _____

Signature of Affiant: _____

Sworn to before me this _____ day of _____, _____.

Notary Public

Commission Expires

AFFIDAVIT OF SERVICE (BUSINESS ENTITY)

State of Arizona)
County of MARICOPA) ss.:

W.H. SANTEE, being duly sworn, deposes and says:

I, for the Securities Division of the Arizona Corporation Commission, Phoenix, Arizona, served an original of this subpoena by:

☒ Leaving a copy with an employee, of suitable age and discretion, (not less than 16 years of age) at any place of business of the corporation, partnership, trust, limited liability company, association, or other business entity.

_____ Leaving a copy with any officer or director of a corporation, managing or general partner of a partnership, trustee of a trust, member of a member-managed limited liability company, manager of a manager-managed limited liability company or any authorized representative of an association or other business entity.

_____ Leaving a copy with an agent authorized by express or implied appointment or by law to receive process for the entity named in the subpoena.

_____ Mailing a copy, by certified mail with return receipt requested, in an envelope addressed to the last known business address, postage prepaid.

Name of Person Served: MARK NICKEL

Relationship to Entity Served: ATTORNEY OF THE FIRM

Place of Service: 1300 W. WASHINGTON ST, PHOENIX, AZ

Time and Date of Service: 5:00 p.m. 8/31/12

Service Performed by: W.H. SANTEE

Title: SPECIAL INVESTIGATOR

Signature of Affiant: W.H. Santee

Sworn to before me this 4 day of September, 2012.

Notary Public

Commission Expires

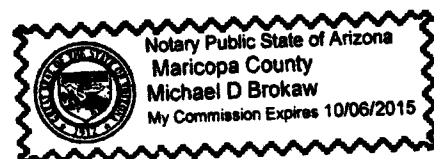


Exhibit "A"

From the period beginning June 26, 2012 to July 23, 2012, all documents, records, books, and any other papers, whether stored on electronic media or otherwise, incident or relating to Arizona Gold Processing, LLC, including, but not limited to:

1. Names, addresses, and telephone numbers of all individuals or entities that have been offered or sold investments in Arizona Gold Processing, LLC;
2. Documents relating to each individual or entity listed in paragraph 1 including any contracts, forms, subscriptions, agreements, notes, questionnaires, records of investment status, checks, wire transfers, receipts, account statements, tax information, and any correspondence, updates, or other communications;
3. The amounts and dates of each investment for each individual or entity listed in paragraph 1; and
4. The amounts and dates of any interest, earnings, distributions, dividends, stock splits, spin-offs, rescission, refund, or any other form of returns to each individual or entity listed in paragraph 1.

COMMISSIONERS
GARY PIERCE, Chairman
BOB STUMP
SANDRA D. KENNEDY
PAUL NEWMAN
BRENDA BURNS

ERNEST G. JOHNSON
EXECUTIVE DIRECTOR



MATTHEW J. NEUBERT
DIRECTOR

SECURITIES DIVISION
1300 West Washington, Third Floor
Phoenix, AZ 85007
TELEPHONE: (602) 542-4242
FAX: (602) 594-7470
E-MAIL: securitiesdiv@azcc.gov

ARIZONA CORPORATION COMMISSION

August 31, 2012

Custodian of Records
Arizona Gold Processing LLC
c/o Scott M. Theobald
Theobald Law, PLC
3219 East Camelback Road, #350
Phoenix, Arizona 85018

Re: Arizona Gold Processing

File No. 8331

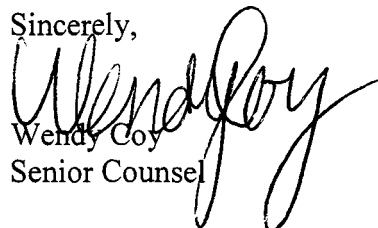
Dear Custodian of Records:

Enclosed you will find a Subpoena Duces Tecum which requires your appearance before the Securities Division on September 17, 2012. In lieu of personal appearance, you may provide the requested documents along with the enclosed Affidavit of Custodian of Records by the due date by mailing them to Special Investigator W.H. (Bill) Santee, Securities Division, Arizona Corporation Commission, 1300 West Washington Street, Third Floor, Phoenix, Arizona 85007. Testimony concerning the documents will be scheduled at a later time, if necessary.

Should your institution not have any documents responsive to the subpoena, please provide written confirmation to that effect.

Should you have any questions regarding this subpoena, please feel free to contact me at (602) 542-0633 or (602) 542-4242.

Sincerely,


Wendy Coy
Senior Counsel

AFFIDAVIT OF CUSTODIAN OF RECORDS

STATE OF _____)
County of _____) ss.
_____)

The undersigned hereby declares, under oath, that the following statements are true:

1. I am over the age of eighteen, have personal knowledge of the facts set forth below, and am competent to testify.
2. I am the duly authorized Custodian of Records of _____
_____.
3. I have the authority to certify said records.
4. The records submitted herewith are true copies of all records under my possession or control responsive to the Subpoena directed to the Custodian of Records of the entity identified in paragraph 2 above.
5. The records were prepared or obtained by personnel or representatives of the entity or persons acting under the control of personnel or representatives of the entity identified in paragraph 2 above in the ordinary course of business at or near the time of the act, condition, or event in said records.
6. The records are kept in the course of regularly conducted business pursuant to the regular practice of the entity identified in paragraph 2 above.

Custodian of Records

SUBSCRIBED and SWORN to before me this ____ day of _____, 2012, by _____
_____.

My Commission Expires:

NOTARY PUBLIC

(seal)